Daily Report

Central Eurasia

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FBIS-SOV-95-159 *17 August 1995*

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Negotiations in Groznyy

Chechen Negotiators Call For Release of Prisoners

LD1708142695 Moscow INTERFAX in English 1231 GMT 17 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 17 (INTERFAX) — Russian and Chechen officials say that the two sides should exchange all the prisoners they hold.

Aslan Maskhadov, chief Chechen negotiator, told journalists in Groznyy Thursday that the special observer commission will discuss this issue Friday. He said that the Chechen negotiators have a list of 54 Russian POWs.

Maskhadov said that he has precise data about 32 of them and seven of them could be handed over Thursday.

Representatives of soldiers' mothers who attended the meeting with journalists told Maskhadov that his list is incomplete because they have a list of 97 Russian POWs.

Maskhadov said that his team had given the Russian negotiators a list of 1,340 Chechens forcibly held in Russian so-called filtration camps.

Lieutenant-General Anatoliy Romanov, commander of the Russian forces in Chechnya, emphasized that identification of missing persons and finding POWs is a very slow and time-consuming work.

Search For More POW's Continues

LD1608185195 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1810 GMT 16 Aug 95

[FBIS Translated Text] The Chechen command can give a response on 32 of the prisoners of war on the list of 54 prisoners submitted by the Russian side, and the search for the remainder is continuing, Aslan Maskhadov, chief of main staff of the Chechen formations, told an Ekho Moskvy radio correspondent.

The Chechen side asked the Russian side whether negotiations might be continued after these 32 men have been returned, Maskhadov reported. He said that Anatoliy Romanov, commander of the combined group of Russian forces, has promised to consult Moscow on this point. The reply is expected on 17 August, and the date when the talks will continue may also be announced on that date.

Troops Enforce Disarmament in Achkhoy-Martan

LD1708091995 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 17 Aug 95

[FBIS Transcribed Text] Khozhakhmed Yarikhanov, head of the Chechen delegation, has told our correspondent that Achkhoy-Martan district center has been sealed off by Russian troops. According to certain information from military sources in Groznyy, the Russian army is getting ready to disarm Chechen formations in Achkhoy-Martan unilaterally and not voluntarily as was the case in Zandak yesterday.

Russians Begin Withdrawing From Chechen Positions

LD1608211295 Moscow INTERFAX in English 2016 GMT 16 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 16 (INTERFAX) — Major General Yevgeniy Skobelev, commander of the Russian army units in Chechnya, confirmed Wednesday that army units began withdrawal from their positions in numerous parts of the republic. He added that in certain areas the Russian checkpoints have been removed.

Skobelev told INTERFAX that Russian army units are being withdrawn and redeployed to areas near Groznyy so as to withdraw them from Chechnya if circumstances permit.

Under a military agreement, one motorized brigade of the Defense Ministry will remain in Chechnya.

Aslan Maskhadov, chief of the Dudayev military headquarters, described in an INTERFAX interview the beginning of the withdrawal as "an act of confidence building on the part of Russia, an action which will facilitate implementation of the military agreement."

Asked if the voluntary surrender of weapons by Dudayev's militants that started Wednesday signifies the end of war in Chechnya, Maskahdov said: "I will believe that the war is over when all the items of the agreement are implemented."

Maskhadov did not think that any of the units subordinate to him would disobey his orders. He added that those who try to dodge the disarmament will be forced to disarm.

Movlzdi Udugov, Dudayev's propaganda chief who was present when a separatist unit disarmed in the village of Zandak, Nozhai-Yurt district on the border with Dagestan, told INTERFAX that there is no consensus among Chechen fighters about the need to disarm.

In Udugov's words, numerous fighters still do not trust Russia and doubt its sincerity. Nevertheless, he said, no more than 20 fighters openly oppose the disarmament agreement but they are not calling the shots.

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Zandak Leader Calls Disarmament Ceremony 'Absurd'

AU1608165395 Paris AFP in English 1625 GMT 16 Aug 95

[Report by Nikolai Topouria]

[FBIS Transcribed Excerpt] Nozhai-Yurt, Russia, Aug 16 (AFP) — The hesitant Chechen peace process took a decisive step forward Wednesday when a handful of Chechen rebels surrendered their weapons in a symbolic ceremony launching a key disarmament programme.

Some 30 rebel fighters handed over 30 grenade-launchers, 30 assault rifles, six grenades, three submachine guns and 18 mines, Vasily Panchenko, spokesman for Russian interior ministry troops in Chechnya, told AFP. [passage omitted]

The weapons ceremony in Zandak, southeast Chechnya, ended with 25 of the fighters taking back their weapons to form a self-defence unit, as allowed by the terms of a military accord with Russia signed on July 30.

They were given cash for the weapons, Panchenko said, without revealing the amount. Various sources have put the figures at 300,000 to 850,000 rubles ($70 to 200) for each Kalashnikov, and a million rubles ($230) for a submachine gun.

However the ceremony was dismissed as "absurd" by Idris Imelkhanov, Chechen leader in the Zandak area, who called it "an operation organised by those who want to wage war again in Chechnya."

"My region includes 62 villages. If 25 fighters in each village all get a Kalashnikov, and get it legally as well, things will go from bad to worse," he warned.

However Vladimir Zorin, deputy leader of the Russian administration in the oil-rich Caucasus republic, was more upbeat.

"The (disarmament) process has started and it has been agreed that it will continue," he told AFP. "But it's obvious the process will not be over in just one day."

The ceremony was witnessed by Aslan Maskhadov, chief of staff of the Chechen forces, Russian General Yevgeny Skobelev, OSCE [Organization for Security and Cooperation in Europe] mission head Sandor Meszaros and several Chechen commanders. [passage omitted]

Dudayev's Attempts To Revise Accord Criticized

LD1608210995 Moscow INTERFAX in English 2016 GMT 16 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 16 (INTERFAX) — The Territorial Board of Federal Executive Authorities in Chechnya sharply criticized the Dudayev regime's attempts at revising the military agreement signed in Groznyy.

A board statement, made public in Moscow Wednesday, says that Dudayev refers to the agreement as "The Agreement on Resolving Military Conflict between the Russian Federation and the Chechen Republic-Ichkeria." A decision to change the name of the document was taken by the so-called State Defense Council's decision No. 004/99 of July 31, 1995. The original name was Agreement on Peaceful Resolution of the Situation in the Chechen Republic (on a Package of Military Issues).

The statement says that this formulation essentially changes the legal evaluation of the nature and consequences of hostilities in Chechnya which is depicted as an independent country, though in fact it is not. The international community has not recognized it.

The same "State Defense Council" decision expels representatives of the National Accord Committee of the Chechen Republic and the Territorial Board of Federal Executive Authorities officials from the Special Observer Commission, a body which supervises implementation of the military agreement. The representatives had already been agreed upon by the negotiating parties and have started their work. This "truncation" of the commission shows flagrant unwillingness to see the real political forces in the republic or to cooperate with them for an ethnic accord, the statement says.

Dudayev's decree No. 26 of August 2, 1995 does not recognize as illegal the militias, which the agreement describes as such. The decree also declares as "delinquent" anyone who did not take up arms in defense of Chechnya. In this way, the Territorial Board says, a few politicians are attempting to turn practically the entire Chechen people into a hostage of their ambitions and adventures.

The statement adds that the agreed stages of disarmament agreed to by the two negotiating teams are left out of the decree. The decision to station Interior Ministry and Defense Ministry brigades in Chechnya is flatly rejected.

Furthermore, the Dudayev decree abandons any commitments by the Chechen authorities to help Russia search for and detain Shamil Basayev and his group, accused of murder and hostage-taking in Budennovsk in July. Under the decree, members of Basayev's suicide battalion will have their names forever in "the list of Motherland's sons and daughters."

By demanding the withdrawal of Russian troops from Chechnya before August 20, 1995, the statement says,

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Dudayev's entourage turns the mechanism for implementing the military agreement upside down.

Because military experts of the two sides have not agreed on a package of agreements on the most complicated multi-staged process of disarmament and withdrawal of troops, this deadline is unrealistic. This shows that the Dudayev regime does not want a peaceful resolution of the situation in Chechnya.

In this context, the statement recalls, the Russian government has said that talks on peaceful resolution of the situation in Chechnya are impossible unless the separatists take real and urgent steps to implement the agreement as signed by the negotiating teams.

Dudayev's TV Broadcasts Resume; Statement Made

LD1608141495 Moscow INTERFAX in English 1229 GMT 16 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 16 (INTERFAX) — Dzhokhar Dudayev's supporters resumed television broadcasting Tuesday [15 August] evening after a two-week break.

The broadcasts are reported as being received in a number of high-altitude villages several dozen kilometers southeast of Groznyy and to last several hours each evening.

The broadcasts opened with a statement by Dzhokhar Dudayev who commented on his decree of August 2 concerning the agreement on political issues and the resolution by the so-called "State Defense Council" that he heads.

Observers in Groznyy and Moscow recall that it was those documents that caused the serious complication in the negotiations to settle the crisis in Chechnya.

The Defense Council's resolution said: "It should be recognized de facto and de jure that the Russian Federation — Russia — committed unprecedented military aggression against a sovereign state, the Chechen republic — Ichkeria.

The "Defense Council also said that the federal troops should complete their withdrawal from Chechen territory by August 20.

Dudayev's documents disavow the pledge put on record in the package of military agreements of July 30 to promote the search for and the extradition to Russia of Shamil Basayev, who committed a terrorist attack of unprecedented cruelty and cynicism against the town of Budennovsk, claiming more than 100 lives.

The "Defense Council" said that the "personnel of the reconnaissance battalion of suicide saboteurs under Colonel Shamil's command should be included on a special list of sons and daughters of the Fatherland forever."

Dudayev's decree says that all national guards must hand in their armaments for safekeeping by August 30.

In his televised address Dudayev reportedly called for the simultaneous disarmament of national guards and supporters of the government of national revival of Salambek Khadzhiyev.

Value of Chechnya Negotiation Process Analyzed

MM1608115195 Moscow ROSSIYSKIYE VESTI in Russian 16 Aug 95 pp 1, 2

[Article by Emil Pain: "What Conditions Will Prevent the Resumption of a Major War in Chechnya?"]

[FBIS Translated Text] Despite the difficulties that have arisen in implementing the agreement on a peaceful settlement of the situation in Chechnya, the talks process has not been in vain. On the contrary, it was inevitable. I am certain that it was impossible to get out of this war without talks. Why? Because it only looked as if Dudayev's followers could be driven into the mountains and the desired victory secured that way. Experience of internal conflicts, especially in such difficult regions as the Caucasus and Bosnia, shows that this is precisely the way a guerrilla movement starts and terrorism develops, and no one in the world has yet found an antidote to that.

Talks alone afford the Caucasians the opportunity to get out of the war "without loss of face." This is very important, because it allows the considerable number of people who have not lost their good sense to take advantage of a situation which does not impugn their honor. Maskhadov and Imayev have represented precisely that pragmatic and sensible section of Dudayev's entourage at the conference.

The talks have demonstrated to the whole world that Russia is not wholly reliant on a military solution. This is very important, because a negative image of Russia has already developed in world public opinion after seven months of war.

But perhaps even more important than this is the fact that it has been demonstrated to the Russian opposition that has criticized the military operation in Chechnya that the Russian leadership is not just ready for peace but is also ready to show magnanimity. The point is that no one in the world would have condemned us for the breakdown of the talks after the Budennovsk tragedy. Talks held under the barrel of a gun or after blackmail are not recognized as legitimate in international practice.

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Indeed, after Basayev released the hostages, it would have been possible not to start negotiations or to curtail them immediately. But talks did start, and I think (unlike many) that this was correct, because Russia, while already having, as it were, military victory, also demonstrated at the same time its readiness for a political solution. Consequently, all responsibility for the breakdown of the talks now rests with the Dudayev side. Demonstrating to the public that Dudayev is a military leader whose whole charisma has been based on tough, never-say-die resistance to Moscow is very important, since a certain idealization of Dudayev and Basayev has occurred in Russian society. The talks have revealed differences in the Dudayev camp. They have also revealed the presence of certain groups with which it is possible to cooperate in certain circumstances. This is important for the future, because any solution will ultimately be based solely on elections, and it is extremely important here that you have the kind of political forces that are capable of supporting a sensible, compromise position.

The talks have also shown that there are forces in the Dudayev camp that are ready to accept certain compromises. Finally, the talks afforded a peaceful respite, a slight one accompanied by shelling, but a respite for all that, which enabled the process of restoring devastated housing to be continued and showed that there are whole settlements ready to organize and expand neutral zones in their territories — settlements which, provided there is no pressure from the guerrillas, are also ready to cooperate. Certainly, the fact that that the population has become war-weary is most important. The psychological climate of reluctance to continue the war also serves to underwrite a political solution of the Chechnya crisis.

At the same time the talks were a kind of medicine — they could cure but they could also have adverse side effects. The fact that they were unusually protracted and accompanied by rallies outside the OSCE mission in a sense magnified the illusory notion held by the pro-Dudayev forces that it was possible — by fair means or foul — to beat Russia, exploiting the time afforded by the talks to regroup their forces, obtaining new weapons, and improving the military disposition of their forces. It is no secret either that during the talks and now certain units have come down from the mountains and taken up more favorable positions.

In a sense, the talks also demoralized some Russian military contingents stationed in Chechnya. The stop-go nature of the orders they received — "Attack, "Halt," "Fire," "Don't react to provocation" — all this disorients soldiers to a considerable extent and reduces the likelihood of their use as combat-effective forces.

Finally, the talks showed up the unreliability of the positions taken up by many Chechen political forces regarded as pro-Russian (I find it difficult to judge whether this is good or bad). In certain conditions statements ensued from a number of people which showed that many of them were ready to go over to a man with strength on his side.

No doubt certain of them did feel that Dudayev was such a man — which was certainly unfavorable to negotiations, as accord could only be reached if the two sides realized that one-sided advantages could not be achieved by military means.

Today, Dudayev's followers are most likely to be counting on some kind of victory and are therefore increasing their demands, refusing even the accords already achieved, particularly the protocol on disarmament, and putting forward certain conditions which they themselves had given up earlier. For example, they have refused to discuss the set of political questions. Today they are even making the decision on the question of power a precondition of disarming.

Accords are very difficult when you have a considerable number of forces not subject to control for whom negotiations mean nothing.

So what kind of balance do we have? A positive one, for all that, because I do not think that there will be any resumption of a major war in Chechnya.

As far as a more detailed forecast is concerned, that is made very difficult because of the highly imprecise makeup of the political forces. **If the pro-Russian section manages somehow to come to terms with the moderate section of Dudayev's forces and, moreover, those political forces which have no blood on their hands enter the political arena, there is the chance that the peace process will nevertheless continue, albeit in labored fashion and attended with great difficulties.** Chechnya will then advance to the elections, with the non-Dudayev groups enjoying pretty good prospects.

Another scenario would be as follows: If the so-called pro-Russian forces are split and go over to Dudayev and the pragmatists prove to be weak and submit to Dudayev's will, then the situation will drag on and become unpredictable in nature, with the danger of major military clashes.

It is difficult to say as yet which scenario is more likely. But the point is that political forecasting is not like weather forecasting, inasmuch as we are not dependent on nature here but can control the process in some way. Much will depend on how clear the federal authorities' political line is.

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Unfortunately, the political strategy is not clear as yet and the necessary steps in the form of political actions which the leadership intends to take are not visible. Once again we face the problem of a lack of any, even short-term (let alone long-term) political planning.

If a political plan is finally drawn up and, moreover, not in secret by a narrow circle of people unknown to the public, but by bringing in not just departmental but academic experts and specialists too, it will be possible to hope for successful political advance to be made in this difficult process.

Chechen Official Denies Cuny Working For Dudayev

LD1608151795 Moscow ITAR-TASS in English 1502 GMT 16 Aug 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 16 (ITAR-TASS) — Head of the Chechen delegation to the talks in Groznyy, Khozakhmed Yarikhanov, called "absolutely groundless" the reports in some news media that American citizen Fred Cuny had been working in Dzhokhar Dudayev's entourage.

"I know very well with whom Dzhokhar Dudayev works and can testify that there are no either Fred Cuny or any other American among advisers and aids to the Chechen president," Yarikhanov told ITAR-TASS.

According to the head of the Chechen delegation, at the request of the American authorities, Dudayev's supporters "made all possible efforts to look for Fred Cuny who disappeared in Chechnya in spring but, unfortunately, the search for him was futile, and the Chechen side does not know anything about the American's fate."

Earlier similar denials were made by the U.S. State Department. At a meeting with journalists on Tuesday, David Johnson, representative of the U.S. State Department, called unfounded the assertions that Fred Cuny was at Dudayev's service at any capacity. According to Johnson, the State Department still hopes that Fred Cuny is alive but has no concrete evidence which would allow to make his fate clear.

Fred Cuny, 50, disappeared in Chechnya in April while on a medical relief mission for the New York-based Soros Foundation.

Further on U.S. Photographer Missing in Chechnya

MK1708101295 Moscow SEGODNYA in Russian 17 Aug 95 p 1

[Report by Mariya Eysmont: "American Press Photographer Missing in Chechnya. Andrew Shumek Had No Money and Knew Not a Word of Russian"]

[FBIS Translated Text] It came to light yesterday that an American press photographer, Andrew Shumek, born in 1969 and from New Jersey, who arrived in Groznyy on 24 July, is missing without a trace. Also yesterday, one of his colleagues delivered to the American Embassy the journalist's backpack with some of his personal belongings. As for Andrew, no one has heard anything from him since he left the territorial administration's hotel in Groznyy on 25 July. A search for the lost man has been mounted, to include representatives of the Russian Foreign Ministry.

Arriving in Groznyy, the press photographer who, according to his own words, was a freelancer, left his Russian and foreign counterparts nonplussed because he had no money and did not know a word of Russian. Mr. Shumek asked this author to point out a road into the mountains where he could spend a couple of weeks with Chechen militiamen. Andrew only carried a map of the Soviet Union and was very surprised that it did not show Chechnya's mountain roads. It is not ruled out that Mr. Shumek had chosen as the object of his trip Chechnya's Nozhay-Yurt Rayon where, on the advice of your SEGODNYA correspondent, he decided to travel via Dagestan.

All of the journalists in Groznyy did not believe in the success of the trip into the mountains undertaken by Andrew and insisted that he should urgently return to the United States.

Military Operations

Basayev Said Not To Presently Be Fighting Russians

LD1708132695 Moscow ITAR-TASS in English 1213 GMT 17 Aug 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 17 (ITAR-TASS) — Shamil Basayev, commander of Dudayev's elite force who masterminded a deadly attack on the southern Russian city of Budennovsk last June, is not engaged in combat against federal troops at present, said his brother Shirvani Basayev, who is an expert of the Chechen delegation to the Russian-Chechen the talks in Groznyy.

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"Neither Shamil, nor a single serviceman of his battalion, cannot [as received] stay in the zone which is fully controlled by the federal forces, even if they wanted to," Basayev said.

According to other, unconfirmed reports, Shamil Basayev has been staying at a mountainous village in eastern Chechnya for over one week.

In another development, Chechen rebel leader Dzhokhar Dudayev is expected to arrive on Thursday at Roshni-Chu about 30 kilometres south-east of Groznyy, the capital, according to the reports.

Role of Turkish Intelligence in Chechnya Examined

MK1608120895 Moscow KOMMERSANT-DAILY in Russian 15 Aug 95 pp 3, 4

[Report by Petr Romanov: "A Spy Who Was First Undertrained and Then Left to His Own Devices"]

[FBIS Translated Text] Among those who are suffering from the Chechnya war is front-line Dagestan, which has lost communications, oil, and calm because of it; what it has gotten in return are a flood of refugees and increasing emigration of Russians convinced that Chechnya marks the beginning of Russia's undoing. Dagestan has become a communicating courtyard, through which weapons arrive in Chechnya from Azerbaijan. Agents of the special services of a number of Islamic countries regularly slip across into Chechnya along the same corridor. KOMMERSANT-DAILY's special correspondent Petr Romanov, who has visited Dagestan, reports on the situation in the region and the work of the Russian counterintelligence service.

In Makhachkala, they do not like Moscow authorities, which are seen here as weak and not clever. Nor do they have respect for Dudayev here, blaming him for many woes afflicting the Dagestani. Dagestan is effectively in a semi-blockade. Some time ago trains passed Makhachkala one after another, but presently only two or three railway cars creep along to neighboring Derbent once or twice a day. The Makhachkala port is increasingly empty. Gasoline is more expensive than in Moscow (formerly fuel was imported from Groznyy — now, from far away, "from Russia," as they say here). Crime rates are up. From the border with Azerbaijan to Stavropol Kray motor transport passes through Dagestan in long convoys escorted by the militia. The city of Kaspiysk, which was built around two large defense plants, is dying. There are fewer and fewer qualified Russian specialists, who are leaving in an attempt to get as far as possible from Chechnya and the Caucasus in general. In downtown Makhachkala, right in front of the "Children's World" store, a slogan reading "'No' to Nationalism!" is nailed right to the faded physiognomy of Cheburashka [character of popular Soviet cartoon, a koala-like animal with large ears]. If this could only help!

According to the traditions of Caucasian hospitality, all possible assistance is, of course, being given to Chechen refugees, but most Dagestani view Chechnya's dash to independence with irritation. Pensioners playing dominoes in the neglected city park reason: "They should have been given independence if they needed it so badly, but why pound at Groznyy with guns? Chechnya should have been simply surrounded with the army so that no one would have been let either in or out. They would have asked to be admitted back in a year's time." Zhirinovskiy would, evidently, find a common language with Makhachkala's armchair politicians. Yeltsin and Chernomyrdin are unlikely to. Senior citizens are equally bewildered by Moscow's inaction in the pre-war period, the absurd war itself, and the ongoing, equally strange talks. "What surrender of arms are they talking about in Moscow?," they wonder. "No man in his right mind would voluntarily turn in his weapon in the Caucasus."

Officers of the Federal Security Service's [FSB] Dagestani administration, who, unlike the pensioners, have more complete information, express just as much bewilderment off the record, however, with regard to Moscow's policies. "We are certain," one counterintelligence officer told your KOMMERSANT-DAILY correspondent, "that the Chechen problem could have been resolved without war. We have repeatedly submitted our proposals. There has been no reaction. Now, having made lots of mistakes, some of which are attributable to an elementary lack of understanding of the Caucasus' unique features, we are holding talks in an absurd manner. As if no one in the Kremlin had ever read Lev Tolstoy or Russian history books! According to all reports that reach us, the Dudayev forces are being regrouped, armed with additional weapons, and dispersed across Chechnya once again. Any realistic disarming is out of the question. Rather, the issue may be preparations for yet another stage of the war."

Arms deliveries to Chechnya continue, the counterintelligence officer asserts, which was confirmed by the seizure of an arms convoy from Azerbaijan that was intercepted in the mountains by the FSB late last month. Special service officers from a number of countries who, in turn, are training agents to work there over the long term, are directing their steps to Dudayev from the same republic. It is an open secret that in Baku they turn a blind eye to many things. This is not mentioned aloud, but the FSB knows, for instance, what capabilities the Turkish intelligence organization, MIT, and a number of other special services presently have in Azerbaijan.

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The FSB is not bluffing when it says that there are plans to set up a sort of "sanitary Islamic cordon" from small Muslim states in the North Caucasus, its officers insist.

The counterintelligence officer's words were corroborated by facts. The investigation department of the FSB's Dagestani administration is investigating a number of cases involving foreign citizens, particularly from Turkey and Jordan, in connection with the goings-on in Chechnya. There is even one German convert to Islam. One Turkish citizen, Ishak Kasap, was presented at a news conference in Makhachkala the other day.

Ishak Kasap, born in 1969, an activist of the Istanbul committee for solidarity with Chechnya, is not a professional spy. Presumably, the Turkish special services had to accept his services: They urgently needed an interpreter for a trip to Chechnya, where he together with Kamil Ozturk, an ethnic Chechen with vast knowledge of the Caucasus, was to have set up satellite communications between Turkey and Dudayev's headquarters. The offer of cooperation was accepted and, having undergone only two days of training at an intelligence school, Kasap and Ozturk, having been equipped with counterfeit passports (Kasap's new passport was issued in the name of Kendir), flew to Baku. In the Baku airport they were welcomed by two men standing at the aircraft's ladder. The rookie never learned whether these were agents of the Turkish or Azerbaijani special services. The dear guests were accommodated at the "Intourist" hotel. Passing across the Russian border into Dagestan turned out to be as easy as anything. According to Kasap, their Dagestani guide warned them from the outset that their foreign travel passports were of no use at all and there was no need to demonstrate their documents to anyone whatsoever, particularly on the "golden bridge" (the bridge connecting Azerbaijan and Dagestan, through which passes the main route dubbed "golden" due to the border troops' unrestrained bribery and, as a consequence, rampant smuggling).

The only inconvenience for the two Turkish citizens, as Kasap admitted, was that they had to get out of their car and cross the state border via a pedestrian crossing. "A soldier did not let us pass by car," Kasap said. After a brief conversation at the checkpoint, however, the Dagestani drove the car across the border as well. No documents in fact were needed for the border crossing. Furthermore, in Chechnya, right up to Dudayev's very headquarters, the Turkish intelligence service's envoys were accompanied by Mr. Yerikhanov — the one who is currently heading the Chechen delegation at the "peace talks" with Russia in Groznyy.

Ozturk and Kasap, named "Shamil" and "Mansur" respectively, fed information via satellite communications to the Turkish intelligence service, the Istanbul committee for solidarity with Chechnya, and the Turkish mass media for a number of months. In March of the same year, Husayn, a professional Turkish spy, arrived in Dudayev's headquarters by the well-trodden path used by Kasap and Ozturk and brought deciphering equipment along. Kasap became Husayn's interpreter in his conversations with Dudayev. According to Kasap, they were fairly stormy. Dudayev demanded that Turkey give public, not clandestine, assistance in achieving Chechnya's diplomatic recognition. Husayn, for his part, was interested not so much in politics (he was not authorized to discuss such matters), but rather, in matters of setting up an intelligence network.

On 23 April, Ishak Kasap was detained by a mobile OMON [Special Purpose Militia] detachment outside the village of Batashyurt of Dagestan's Khasavyurt Rayon. The new Turkish passport issued in the name of Isak Kendir did not have an entry visa, but the militia officers found as many as two authentic ID's bearing the name of Ishak Kasap, which the inexperienced agent had on him for some reason along with his counterfeit passport. Video and photographic tapes found on the hapless spy enabled the counterintelligence officers to take a closer look at Dudayev's weapons, his pal Ozturk, and the professional Turkish spy named Husayn.

After Kasap was detained, Ozturk and Husayn were urgently taken out of Chechnya, the deciphering equipment was destroyed, and the rookie was left to his own devices. The Turkish Embassy in Moscow called Ishak Kasap "a dubious personality" and "a lunatic," which is clearly unfair. The Turkish agent is certainly an inexperienced man, but he is fully sound mentally. He remembers perfectly well those who recruited him and stopped his training too early. Is it his fault that his training at the intelligence school lasted for just two days? He is good at drawing, and he drew the headquarters of the Turkish intelligence office to which he had been escorted and a number of professional intelligence officers. Kasap feels wronged. At the news conference, clearly feeling nervous, he repeated several times that he had been promised help in case of failure, but then they turned their back on him. "Not very decent, this," one of our counterintelligence service officers commented, "nor is it clever. Such things happen, we could have given the guy back to them without much ado."

Curiously, unlike the Turkish special services, the Chechnya diaspora in Istanbul has twice attempted to get Ishak Kasap released, offering ransom money for his liberation. Counterintelligence officers say that, according to their information, initially a bribe of $15,000 was given to middlemen in Baku — and another $10,000 ("according to unconfirmed reports," they emphasized)

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to the Dagestan general prosecutor's office. "The money was taken, but nobody lifted his finger," the counterintelligence officers laughed. "The Caucasus is a subtle thing!" Nonetheless, although formal charges under Articles 83 (illegal border crossing) and 218 (illegal possession of weapons) were brought against Ishak Kasap, he will walk free one of these days. A decision has been made to expel him from Russia. Kendir/Kasap has already told everything he knew to the FSB and the press.

Ankara's official stance on Chechnya is well known: the Chechen conflict is a Russian affair, while Turkey does not meddle in other people's business. The case of Ishak Kasap and other FSB reports show that this is not quite so. As of today, documentary evidence has already been obtained proving that starting in January 1995 the Turkish intelligence service has engaged at least four full-time officers of the MIT central staff (Tekin, Vuslat, Erhan, and Sener) to deal with the Chechen problem. The Dudayevites are receiving financial and logistical assistance. Those same Kasap and Ozturk negotiated the delivery of communications equipment to Chechnya, as a result of which 40 special communications systems were brought to the area of combat operations by the Turkish intelligence service. It is well known that in present-day wars good communications sometimes prove more important that a submachine-gun.

Also suspicious are certain details of conversations between the Turkish envoys and Dudayev. Kazbek [name as published; at the beginning of the article, Kamil] Ozturk was for some reason interested in the Chechens' capability to carry out terrorist attacks in Russia. At the time (the conversation took place in February of this year) Dudayev ruled out this possibility, saying that terrorism would have tarnished the government of Ichkeriya in the eyes of the international community. Later, however, there were Budennovsk and Dudayev's refusal to extradite Basayev.

Ishak Kasap's may be a low-key case, but presumably the counterintelligence service pursued a two-pronged objective by widely publicizing its details. First, of course, to cut the Turks down to size so that they will not pull our leg regarding "non-interference," or so that they will straighten the matter out with their counterintelligence service if it is operating without the political leadership's authorization. This is improbable, even if theoretically possible. Second, the FSB may have attempted unobtrusively to try to draw attention to what is going on in frontline Dagestan, a "sieve" on the Russian border that enables even an inexperienced agent to sneak into the conflict area. If this problem is to be addressed seriously, however, lots of gaps will have to be plugged. Some of them are a consequence of the general situation in Russia. Even the FSB is cash-strapped. The Dagestani administration has funds to finance only 60 percent of its requirements. There are also "gaps" that are purely Caucasian in nature. Just try to seal off reliably the border between Dagestan and Azerbaijan, on both sides of which the Lezgins and the Avars live! There are also interdepartmental problems. The separation of border troops from the "head office" on Lubyanka [KGB] has made the counterintelligence officers' life more difficult and has had a negative impact on their operational work. Sometimes simply absurd situations come about. For instance, it is difficult for an FSB officer to pass where any Turkish citizen can pass through any checkpoint without documents. The interdepartmental tug-of-war does not plug the gaps on the border, but creates new ones. The question of relations with Baku is not that simple either. The CIS is great. But what is to be done if Istanbul is closer than Moscow? As the saying goes, there are intelligence services of friendly countries, but there can be no friendly intelligence services.

Both professional counterintelligence officers and residents of Dagestan anxiously await the outcome of talks in Chechnya. Regardless how much information they have, skepticism prevails. The pre-election optimism of the Russian authorities cuts no ice with local armchair politicians. They are indeed very much reminiscent of the personages of Ilf and Petrov ["The Golden Calf" novel]. The pundits from the town of Chernomorsk were much more tolerant of politicians, however: What brains Briand has! And Chamberlain, too! And even Enver Pasha! What good times those were!

Politics and Nationalism

Basayev: 'We Do Not Need Russia's Recognition'

BR1608134295 Paris LIBERATION in French 16 Aug 95 p 2

[Interview with Chechnya's Shamil Basayev, identified as the commander of the Intelligence and Sabotage Brigade of the Armed Forces of the Republic of Chechnya and organizer of the hostage-taking in Budennovsk, by "D.V." in Khochni-Chos; date not given: "We Do Not Need Moscow's Recognition"]

[FBIS Translated Text] Khochni-Chos [as transliterated] — In the bedroom of a small farmhouse less than one kilometer from the Russian outposts, Shamil Basayev scarcely seems to fear for his safety. Relaxed in sports outerwear, a leather cap pushed down over his prematurely balding head, he speaks with calm and determination, stroking his black beard with his hand. Yet, since the hostage-taking in Budennovsk — which he organized — in late June, this young, 30-year-old commander has been actively sought by all of Russia's

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special services. It was after his bloody coup that the Kremlin agreed to open discussions with the Chechen independence-seekers. Here, Shamil Basayev gives his analysis to LIBERATION.

[LIBERATION] What is your prognosis of the future of the negotiations?

[Basayev] I am not greatly optimistic. Russia cannot shake off its chauvinistic and imperial prejudices. It refuses to deal with us on equal terms and is seeking to impose its dreams of being a great power on us. You have to be free to recognize the freedom of someone else. Russia is not a free country and we refuse to engage in talks which would simply lead us to accepting Russian slavery. This is why we are not confident. On the one hand, Russia is discussing things with us. On the other hand, Boris Yeltsin announced on television — without consulting us — that Chechnya would be reintegrated into the federation. But these are the hallucinations of an alcoholic who thinks his desires are reality. We are an independent state. Our people want their independence and the Russian refuse to discuss this issue. Well, we will never allow these barbarians to put us in the yoke. And if we have to fight again, that is no problem.

[LIBERATION] What is happening with the military agreement of 30 July, which calls for the disarming of "illegal gangs" in exchange for a partial withdrawal of federal troops? Your delegation signed this document, which agrees to let the Russian Army keep two brigades in Chechnya.

[Basayev] For the time being the military provision of the peace agreement has not been approved by either President Dzhokhar Dudayev or by the Defense Council of the Republic. So it does not yet have legal force, because we still have to discuss the arrangements for stationing Russian troops on our territory. We are prepared for this kind of concession to attempt to resolve all our problems by peaceful means, but this must mean an agreement which is mutually beneficial. There is no question of Russian units being deployed and shooting as they see fit. The duration of their deployment will also have to be discussed because our concession can only be temporary. As for our weapons, we are not illegal gangs, just as I am not one of Dudayev's fighters. I am the commander of the intelligence and sabotage brigade of the Armed Forces of the Republic of Chechnya. We are armed in accordance with the laws of our republic. President Dudayev is the commander in chief of our Armed Forces. If they call me Dudayev's fighter then that means that the armed clowns who entered our territory in December are just a gang of Yeltsin's fighters.

[LIBERATION] So what is the topic of the negotiations?

[Basayev] We think that negotiations are essential for resolving our problems in a peaceful way. If Moscow would recognize our independence that would guarantee us that peaceful coexistence with Russia is possible. However, we do not need Russia's recognition to live freely. Our slogan is: Liberty or death. We have proven during eight months of resistance against the army of a powerful empire that these are not vain words.

[LIBERATION] In your opinion why has Moscow agreed to talk with you?

[Basayev] Because the Russians declared themselves the winners, because they want aid from the West, because their intervention in Chechnya is embarrassing them internationally, and because they want to be able to say that the war is over. Also because legislative and presidential elections will be held next year and because after our operation in Budennovsk they were not prepared to pay the price of terrorist actions in Russia itself. But we won the war even before the fighting started. The Russian empire is in its death throes. It is going to die, thank God, and the entire world will be able to breathe more easily. If the negotiation process fails, if the Russians do not keep their promises, and if the fighting recommences, then I swear to you that we will attack all the way to Moscow.

Nationalities Aide Discusses Chechnya Situation

MM1608155595 Moscow TRUD in Russian 16 Aug 95 p 2

[Interview with Vyacheslav Mikhaylov, minister for nationalities affairs and regional policy, by Mikhail Zubov in Groznyy; date not given: "'Our Soldiers Not to Blame'"]

[FBIS Translated Text] The other day TRUD's correspondent spoke in Groznyy with Vyacheslav Aleksandrovich Mikhaylov, minister for nationalities affairs and regional policy. The situation at the time was not so finely balanced between war and peace....

[Zubov] Federal soldiers are being killed in the Chechen Republic every day even now. Could this really not be avoided?

[Mikhaylov] Unfortunately, criminal structures and the gunmen who tag along with them continue to operate. They are organizing provocations. The signed agreements on military issues and the efforts to switch to a peaceful footing by no means indicate that we can take things easy. We need to take more resolute steps to coordinate the actions of the local law-enforcement organs.

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We ourselves need exceptional attention, toughness, discipline, and caution. And, undoubtedly, we must respond with determination to each provocation.

[Zubov] I have heard that soldiers are often prohibited from rebuffing the bandits. I talked to a group from the Kaliningrad OMON [Special-Purpose Militia Detachment]. Their outpost was shot up. They took casualties. And they were ordered not to "give in to provocation." Last night our soldiers came under fire 16 times — 10 men were wounded and one killed. Yet, so I am told, fire was returned only three times. Why is that?

[Mikhaylov] Many attacks are political provocations aimed at triggering retaliation or provoking the destruction of buildings or an attack. Under such circumstances it is particularly important for commanders to be highly professional. They must respond clearly and rapidly and take correct and balanced decisions. When necessary they should return fire.

[Zubov] I would like to ask a question which I have been asked by several Russian soldiers in Chechnya — what are we dying for?

[Mikhaylov] The officers and men serving here deserve an enormous amount of respect. They are carrying out the Motherland's orders and protecting the integrity of the country, the Constitution, and the rights of citizens here in Chechnya. Over the years of the Dudayev regime, mass crimes were committed along with massive violations of human rights. Russia did everything in its power to avoid conflict. Consequently, our soldiers are not to blame for the bloodshed. They are doing their duty.

[Zubov] But some of the Chechen population support Dudayev....

[Mikhaylov] Our observations and surveys carried out by Chechen specialists among others show that there are individuals who command far greater respect than Dudayev. Dissatisfaction with Dudayev is growing even among his field commanders. His behavior, particularly of late during the talks, shows, I believe, that he is losing his footing. Of course, he has his supporters, rallies are held in support of him, not least outside the OSCE mission. But it is the same old faces at these rallies. We have information that certain people receive "recompense" for taking part in such events. There are, however, plenty of people who support Dudayev with no ulterior motive. But common sense and a realization that the war has to be stopped can be found among even his loyal supporters. A typical example is the behavior of the Chechen delegation, which signed the agreement on military issues virtually against Dudayev's will.

[Zubov] Some of the population could also find themselves on Dudayev's side because of an understandable fear of the gunmen. Many people see the situation as follows — the federal forces will be going, but the Dudayevites will be staying behind....

[Mikhaylov] They are indeed manipulating the population through intimidation. People who have lived through the horrors of recent months are seriously afraid that they could fall victim to the Dudayevites' revenge. But, after all, our agreement says nothing about the federal troops simply upping and leaving. It is a question of a phased pullback [otvod] and a subsequent troop withdrawal [vyvod] synchronized with the disarmament of the illegal Dudayevite formations, the safeguarding of the population's security, and the formation of law-enforcement organs in the Chechen Republic.

[Zubov] How likely is it, in your view, that Dudayev and his supporters will win the elections?

[Mikhaylov] That will depend on many factors. Many public parties and movements have already been set up. The election campaign will be fierce. The main role will be played by the way in which realistic forces who recognize Chechnya's place and role within the Russian Federation and who are thinking about the republic's future are able to unite. I am almost sure that the results of the elections to the People's Assembly and parliament will nonetheless see the most responsible section of Chechen society elected. All the more so if those who have been forced to quit the republic take part in the vote.

[Zubov] Nonetheless, who controls the situation in the republic, and to what extent is it under control?

[Mikhaylov] Most of the republic is controlled by the government of national revival headed by Khadzhiyev. The situation is also being monitored by the Committee of National Consensus and the territorial administration of Russian Federation federal executive organs in Chechnya. And, naturally, by the integrated federal forces. The introduction of the post of full presidential representative, which will happen in the very near future, will help step up control over the entire sphere of economic and social activity in the republic.

[Zubov] Who might get that post?

[Mikhaylov] The likeliest candidate is Oleg Ivanovich Lobov.

[Zubov] Do you think it impossible for Chechnya to leave Russia?

[Mikhaylov] Leaving Russia would mean violating the Russian Federation Constitution and the norms of criminal law which state that self-determination (a factor

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respected by the government) and the integrity of the federal state should be compatible. I would like to emphasize that we are talking about the specific features of the status of certain formations within the Russian Federation. This special status should take all factors into account — national, religious, and historical traditions, methods of economic management.... This is the most difficult aspect of our entire nationalities policy, which today ought to be widely developed. Tatarstan is an example. There were so many contradictions there, but in the space of two years we were able to conclude the pappropriate treaties and agreements and remove those contradictions.

[Zubov] If someone else other than Dudayev had become Chechen president, could current events have been avoided or were they inevitable?

[Mikhaylov] I think that the key role in the development of events was played by the personality factor. Although, of course, we need to recall the conditions under which the country was living in 1991. The "parade of sovereignties," the collapse of the USSR, the declarations of independence by autonomous republics.... The euphoria of democracy and sovereignization swept across many autonomous areas, and Chechnya was not the most explosive area. The processes in Chechnya were typical — the same thing happened in Ingushetia, Tataria, Tuva, Kabardino-Balkaria, and Bashkortostan. Of course, the contradictions in the Caucasus are pretty deep and unique. They are bound up with the repressions of peoples in the past, with the serious mistakes made in returning repressed peoples to their former homes, and in shaping the structures of national-territorial formations. But we could and should have avoided an outcome such as Chechnya. Unfortunately, Dudayev — not the most responsible of politicians — came to the helm....

[Zubov] Could Russia safeguard itself against conflicts such as Chechnya, and how could it do so?

[Mikhaylov] We need to pay more attention to each individual region, to monitor its condition, and to react in good time to any contradictions that may emerge — be they social, economic, demographic, religious, cultural, linguistic, or whatever. We need an immediate and well-considered reaction to whatever happens. For instance, Dagestan is in an exceptionally difficult position as a result of the events in Chechnya. But the farsightedness of its politicians and the timely aid provided by the federal center have helped Dagestan to remain, on the whole, a stable republic.

[Zubov] Suppose a nationalist regime (put it that way) were to triumph in Chechnya — would the Russian Federation encourage Russians to leave for Russia?

[Mikhaylov] I don't think that will happen. Chechnya has been and continues to be a multiethnic republic. I often meet with the Chechen population. It is suffering because a considerable number of Russians have left. I am confident that when everything gets back to normal the Russian refugees will return.

Chechen Leaders Vow To Oppose Dudayev, Continue War

BR1608130995 Madrid EL PAIS in Spanish 15 Aug 95 p 4

[Report on interview with Chechen military leaders Ruslan Lobazanev and Umar Avturjanev by Rodrigo Fernandez; place and date not given: "Local Chechen Leaders Pushing for War"]

[FBIS Translated Text] Groznyy — While in Chechnya, the representatives from Moscow and the independent forces are trying to reach a negotiated agreement, a few local leaders from the complicated bundle of clans that make up this northern Caucasus republic are pushing for a continuation of the war. For them, any peace agreement would put an end to their power. Judging by the fresh ultimatum issued yesterday by Russian Prime Minister Viktor Chernomyrdin in which he threatened the rebels with "severe reprisals" if they failed to comply with the military agreement that has been in force for one month — and which provided for a ceasefire, the exchange of prisoners, and the disarming of the rebels — the trend toward war is gaining ground. Yesterday, Chechen military leader Aslan Masjadev dismissed the latest Russian ultimatum.

The two main Chechen leaders in favor of war (who are also opposed to one another) are Ruslan Lobazanev and Umar Avturjanev. The former, known for his criminal past, has recently cultivated a kind of Robin Hood image. The latter, a professional policeman, is the head of the National Concord Committee, an organization which a Kremlin decree has helped convert into an interim legislative body for Chechnya.

Lobazanev stated: "There will be a war between the Chechens because Moscow has betrayed us. By dealing with Aslan Masjadev and Umar Imayev, Dzhokhar Dudayev's representatives, Russia is behaving like a whore. Before Moscow claimed that they were illegal armed groups, but now Russia is talking to them. We who see this hypocritical attitude on the part of the Kremlin cannot accept it because Moscow is converting this dirty and weak group into a strong force, a force that will fire on fellow Chechens."

The charismatic criminal — he himself admitted a short while ago that he was taking money from racketeers and

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giving it to the poor — believes that "we should have gone all the way, doing away with Dudayev and each and every one of his supporters." Now that the Russians have made some of Dudayev's men into "heroes," Lobazanev has no doubts about Chechnya's future: "There will be a civil war, as there was in Afghanistan. The people are already preparing themselves for it. Two opposing factions have formed and nobody will hand over their arms."

He, naturally, has not done so. The attempt to disarm him failed and his men also prevented the 35 towns that they claim to control from being disarmed. What is more, he has now formed his own political organization called the Party of Justice. However, for the time being he has no intention of swapping his Kalashnikov for a seat in parliament: "I will not participate in elections in which Dudayev's people are allowed to stand. I would be ashamed to sit down in the same assembly as them. I am preparing for a struggle because I have decided to fight them to the end and until not one of them is left standing." However, once Dudayev is disposed of he is prepared to come to the salvation of his people and, if they ask him to, to dedicate himself to politics.

Lobazanev hides his backwardness behind ideas that are popular in Chechnya nowadays. He therefore maintains that the "sharia," the Muslim law, must be imposed, and that there should be cooperation with the republic's religious leaders. Tremendously rich, he is using his money to win over new supporters. What is more, he now has the confidence not just of a section of Chechens but also of a few influential Russians in the republic. One of the deputy chiefs of the federal authorities in Chechnya says: "I would forgive him all his former crimes and would give him my backing. I would not support Umar Avturjanev or Soslambek Jadzhiev (the Chechen prime minister imposed on Groznyy by Moscow — EL PAIS editor's note), but I would back Lobazanev who enjoys high prestige."

The other local leader in favor of continuing with the war even though he is rather more subtle about it is Umar Avturjanev, the current head of the National Concord Committee. Avturjanev is the former mayor of the district of Nadterek that was practically the first to put up armed opposition to Dudayev. A policeman by profession, they say that he studied alongside former Security Minister Sergey Stepashin and that during his service in the Caucasus he got to know many of the current Russian generals, including Interior Minister Anatoliy Kulikov. These contacts, observers say, were decisive in President Boris Yeltsin signing a decree in March declaring the Committee of Avturjanev the supreme body of government in Chechnya.

Avturjanev says: "Without a strong power there can be no stability in the republic. This is why we have asked President Boris Yeltsin to appoint a head of state, a supreme leader for Chechnya who, in our opinion, should be a Chechen." He made no secret of the fact that he would quite like the job himself or at least for it to go to one of his colleagues.

This supreme chief would rule with an iron fist, carrying out "operations in conjunction with Russian troops" to disarm the rebels, which would in fact signify a fresh outbreak of fighting. Then "tight control over everything and everyone" would be required. Avturjanev justified his call for a renewed attack on Dudayev's men by saying: "Today, as we witness this stupidity (in other words, the guerrillas calmly walking about fully armed though the towns — EL PAIS editor's note) we can see how we are just a step away from civil war."

Effects on Chechen Community

Soskovets: Oil Export To Fund Chechen Restoration

LD1608211795 Moscow ITAR-TASS in English 1919 GMT 16 Aug 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, August 16 (ITAR-TASS) — First Vice-Prime Minister Oleg Soskovets ordered two Russian ministries to export Chechen oil to pay the debts of the National Revival Government of Salambek Khadzhiyev and finance energy and other supplies to Chechen enterprises.

Soskovets instructed the Ministries of Economics and Fuel and Energy to work out, within a week, a document exempting Chechen oil exports from customs duties. The Ministry of Fuel and Energy was asked to take the extraction and sale of Chechen oil under its control.

However, all Chechen oil exports are likely to be carried out by Russia's largest oil company LUKoil.

"Chechnya should begin to get accustomed to order. Today, the republic does not pay for energy supplies and is in arrears for the supplies of raw materials. Some Chechens and the National Revival Government of Salambek Khadzhiyev have money and if the latter is going to subsidise someone, let it do it on its own," Soskovets said.

He noted that the republic has not been paying to the federal budget despite massive aid provided by the federal authorities. In addition, it has restored the pre-conflict level of oil extraction (about 3,500 tonnes of oil daily). "It should pay at least 20-30 percent at first and then 50 percent and so on," the vice-premier added.

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According to the Ministry of Fuel and Energy, each tonne of Chechen oil could earn the budget 100 U.S. dollars. In conditions of a payment crisis in Russia it would be unwise to sell Chechen oil on the domestic market, while its export could give the republic the necessary means to restore its economy and social sphere, Soskovets said.

By the end of the year, the Russian government will have contributed 650 billion roubles to rebuild Chechnya on a disinterested basis, including 240 billion to the rural areas, over 100 billion to schools, 25 billion to the hospital in Budennovsk destroyed as a result of a terrorist act committed by Chechen militants in June, and 6 billion to places of worship.

Pensions System 'Fully Restored' in Chechnya

LD1608124895 Moscow ITAR-TASS in English 1210 GMT 16 Aug 95

[By Lilia Kuznetsova]

[FBIS Transcribed Text] MOSCOW, August 16 (ITAR-TASS) — The pension insurance system was fully restored in Chechnya, Deputy Chairman of the Russian Pension Fund Yevgeniy Vasilyev told ITAR-TASS on Wednesday.

Pension offices are operating in all of Chechnya's 17 districts in which more than 70 thousand pensioners already receive pensions (there are a total of 85 thousand pensioners in Chechnya). Documents of the rest 15 thousand pensioners are yet to be validated.

Russia's Pension Fund has provided more than 80 billion roubles to pay pensions in Chechnya since last February. The debts for the fourth quarter and a considerable part of the third quarter of last year were paid off. The fund plans to pay off the debt for the first and second quarters of last year in next September.

Another problem is to restore missing pension documents. The documents of more than five thousand pensioners have been already restored in Groznyy. alone. Some of Chechens have lost documents confirming the length of their service. Authorities have worked out an easy scheme for restoring such documents, Vasilyev said.

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Baltic Role in Drug Trafficking Explored

WS1708100895 Tallinn BNS in English 1600 GMT 16 Aug 95

[FBIS Transcribed Text] Tallinn, Aug 16, BNS — The three Baltic states Estonia, Latvia, and Lithuania are one of the routes used by international drug traders and the increasing amounts of different narcotics passing through are having an impact on the local market, foreign experts say.

Drug experts conclude from an analysis of known facts that narcotics from the Middle and the Near East pass through Russia, the Czech Republic, Hungary and Poland into the Nordic countries, with the Baltic states as key transit countries. The arrest of four Estonian drug couriers in Thailand in June witnesses that Estonians and Estonia are also involved in the smuggling of Southeast Asian drugs into eastern and central Europe.

Illegal drug trafficking has grown explosively in Russia after the collapse of the Soviet Union in the ideal conditions of porous borders and widespread corruption. Even Russian servicemen have plunged into the smuggling business, using army cargo planes to transport opium, hashish and other drugs from Afghanistan back to Russia, The Associated Press reported. Tajikistan, which borders Afghanistan, has become a favorite route of drug-traffickers, particularly those dealing in raw opium.

Russian authorities seized last year 82 metric tons of drugs, which they estimated was only about 15 percent of the rapidly expanding drug trade, worth about 500 million U.S. dollars at the most conservative estimate. The number of drug addicts has doubled in the past 10 years.

That large amounts of narcotics pass through Russia into the Baltic states, Finland, Sweden, and Denmark, is borne out by the recent capture of a group of drug-traffickers in St. Petersburg. The gang, which had been in the business for five years, smuggled Ukrainian opium poppy into St. Petersburg and from there into the Baltic and the Nordic countries.

Meanwhile, western experts state with satisfaction that export of narcotics from the Middle East to central and northern Europe is on the decline. Reuters reported with reference to Hungarian customs that drug traffickers were dealt a severe blow by Turkey's recent campaign against Kurdish rebels.

The amount of heroin seized in Hungary dropped significantly in the first half of 1995 against the same period last year. Hungary is the leading transit country between the Middle East and Europe.

"According to our international agents, the drug pushers are trying a route through Ukraine, Belarus and the Baltic and Scandinavian states," customs chief Gen. Mihaly Arnold told Reuters. He added, however, that the route was still being tested and so far only relatively small amounts had passed through.

ITAR-TASS Carries Press Review for 17 Aug

LD1708054995 Moscow ITAR-TASS in English 0415 GMT 17 Aug 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 17 (Itar-Tass) — The ROSSIYSKIYE VESTI newspaper features an interview with Commander-in-Chief of the Russian Airforce Petr Deinekin, Doctor of Military Science, on the eve of Russian Air Force Day (marked on Friday, August 18).

"Our aviation was not stagnant even in the most 'stagnant' years," Deinekin stressed. According to the commander-in-chief, "we keep afloat now virtually with what was created in those years. Moreover, we can keep afloat approximately till the year 2005".

Speaking of Air Force problems, the general said that "following the collapse of the Soviet Union, the Russian Air Force 'inherited' 60 percent of warplanes and 40 percent of airfields. Groups which were being formed for years, disintegrated, and systems of basing, control and logistics supplies collapsed".

According to the commander-in-chief, "while starting to create the national Russian Air Force, we immediately ran into serious problems". He named among the first the creation of aviation groups in military districts — Moscow and North-Caucasian — which became border districts instead of hinterland.

Deinekin described in detail Air Force actions during the Chechen campaign. He claimed that "all in all, Dudayev had 266 planes, including Il-76 transport planes and Tu-134 airliners.

"All of them were re-equipped for combat operations, were fuelled with kerosene and carried unguided missiles. Many of them, especially Czech-made training L-39s planes, could threaten Russian troops.

"They were dangerous also due to the fact that Chechnya had several dozen trained pilots. Besides, rebels had mercenary flyers from former Soviet republics," the commander-in-chief continued.

According to Deinekin, "Su-25s performed 'an impeccable job': all Dudayev's planes were either destroyed

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or put out of action. Incidentally, airfields remained almost unscathed".

In the meantime, the press continues to concentrate on the Chechen conflict. The army newspaper KRASNAYA ZVEZDA writes in a report entitled "Chechnya: ways of disarmement unpredictable" that "advance to a lasting peace in Chechnya, despite some light in the tunnel, is at a freezing point".

The daily cites facts. "Interior troops were fired on 18 times on the night between August 15 and 16. Firing was recorded near the villages of Samashki, Argun and Gudermes.

"Commandant's offices and check points in the Staropromyslovy, Zavodskoy and Leninsky districts of Groznyy were fired on 11 times. Nobody was killed, but eight interior troops were wounded."

Despite the August calm due to parliamentary holidays, political life in Russia is not at a standstill. Leaders of political parties and movements remind voters now and then that the elections are not far off.

For instance, using his stay at the Zarya health-building centre, leader of the Russian Communist Party Gennadiy Zyuganov met voters. The IZVESTIYA newspaper devotes a somewhat ironic report to this event.

The daily writes that "according to observations of the Communist leader, his party is confidently marching towards power".

Mindful of pronouncements and observations by Zyuganov, the newspaper draws the conclusion that "if power is not given to the Communist-patriotic guards as a result of the coming elections, either 'a big Chechnya' or 'a big Colombia' are in store for Russia".

Many newspapers continue to publish articles and reports on much-suffering former Yugoslavia. The PRAVDA newspaper carries an interview with author Valentin Rasputin. He recently visited Serbia together with writers Vasiliy Belov and Valeriy Khairyuzov.

They visited Bosnian and Croatian Serbs (Republic of Serb Krajina). Sudden and tragic events took place since that time: Croatian "tempest" swept Serb Krajina in a matter of several August days.

In Rasputin's opinion, "international 'law' calls, for the first time, a fighting nation criminal for the only reason that it fights for its existence". [sentence as received]

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Atomic Ministry Calls PRC Nuclear Test 'Regrettable'

LD1705095595 Moscow ITAR-TASS World Service in Russian 0904 GMT 17 Aug 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 17 Aug (ITAR-TASS) — Georgiy Kaurov, an official spokesman for the Ministry of Atomic Energy, told an ITAR-TASS correspondent that the underground nuclear test conducted by China today is regrettable.

"Mankind is trying to exclude nuclear weapons from its arsenals," Kaurov said. "It is quite understandable that nonnuclear states want nuclear powers to refrain from tests. Taking into account their stance, Russia has not been conducting any nuclear tests for some years now and is strictly observing a voluntary moratorium on such tests, announced by Russia together with United States, Britain, and France."

Kaurov noted that "Russian specialists need to carry out tests from time to time as much as nuclear military specialists from other countries, but taking account of the Russian and world public's negative attitude to this they refrain from such actions."

At the same time another high-ranking official from the Russian Ministry of Atomic Energy, who did not want to be named, told ITAR-TASS that "a certain number of nuclear tests is necessary both for China and other nuclear powers, including Russia." According to the official, a fundamental question should be answered here about "whether these tests will serve to improve the security of the already existing weapons or to develop new specimens of nuclear charges fraught with new dangers."

TASS Previews Nuclear Delegation's Visit to Iran

LD1608224195 Moscow ITAR-TASS World Service in Russian 2143 GMT 16 Aug 95

[By ITAR-TASS correspondent Veronika Romanenkova]

[FBIS Translated Text] Moscow, 17 Aug (ITAR-TASS) — Additions to the Russian-Iranian contract on the construction of a nuclear power station in Bushehr (in southern Iran) will be the subject of talks in Tehran. Experts of the Atomic Energy Ministry will be leaving today to attend these talks. An ITAR-TASS correspondent was told at the Atomic Energy Ministry's Information Department that the delegation is headed by Deputy Minister Yevgeniy Reshetnikov. The sides are planning to consider matters relating to the supply of fuel for the station and schemes for financing its construction and also to analyze the condition of facilities already in existence on the site.

The contract between Iran and Russia for the construction of a nuclear power station with one Russian water-cooled reactor (operating on light water) was signed in January 1995. It was the subject of extensive discussion as the United States is afraid that Iran will make use of Russian aid to develop a nuclear weapon. However, the Atomic Energy Ministry has not cancelled the contract as it is confident that the products being sold are unsuitable for military purposes.

The nuclear power station in Bushehr will also be taken under the control of the International Atomic Energy Agency. Moreover, in future the Russian side intends to expand cooperation with Iran in this area.

Iraqi Embassy Blames Defector Kamil for Misleading UN

LD1608180395 Moscow INTERFAX in English 1702 GMT 16 Aug 95

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 16 (Interfax) — The Iraqi embassy to Russia blamed Husayn Kamil Hasan, former industry and mineral resource minister and director of the defense industry department who fled to Jordan earlier in August, for Baghdad's failure to comply with the UN resolution No. 687.

Under the resolution Iraq had to make full information on its military programs available to the UN commission on Iraq disarmament Rolf Ekeus. [sentence as received]

The embassy said in a statement that "traitor Husayn Kamil deliberately tried to have the relations between Iraq and the UN commission deteriorate" and effectively prevented the closure of the investigation into Iraq's weaponry.

Husayn Kamil is said to withold important data on former Iraqi chemical, bacteriological and nuclear weapon programs from the Iraqi officials in charge of relations with the UN commission and the IAEA [International Atomic Energy Agency].

The statement argues that this was part of a conspiracy against the Iraqi people and its patriotic leadership aimed at giving the U.S. a pretext to maintain the blockade.

The embassy said that no good purpose is served by concealing information about programs which have been called off.

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According to the embassy statement, Iraq has notified Ekeus and IAEA Director general Hans Blix about what had happened and confirmed its willingness to make all the information hidden by Hussein Kamil available.

Furthermore, Iraq has sent urgent invitations to Ekeus and IAEA officials to visit Iraq.

U.S. Congressman Views Bosnia, Bilateral Ties

LD1608145695 Moscow INTERFAX in English 1229 GMT 16 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 16 (Interfax) — The new approach to settlement in Bosnia proposed by the U.S. president Bill Clinton's administration "finds understanding with many countries," U.S. congressman Tom Lantos, a Democrat from California, told a press conference in Moscow today.

Western media reported that the U.S. plan, whose full content has not yet been unveiled, in particular provides for replacing the UN forces in the former Yugoslavia with NATO forces with the possible participation of Russian and Scandinavian contingents in case political efforts for settling the crisis fail.

Lantos said he believes that if the leading powers had not been so split over the Bosnian problem, not so many people would have died in the former Yugoslavia.

Lantos said he believes that Russia has taken a one-sided stand towards the conflict. "Moscow was initially refusing to recognize that Serbian President Slobodan Milosevic acted as an aggressor," he said.

Lantos said the policy for appeasement of the aggressor fails to give positive results. He said a lesson should have been taught to Milosevic at the very beginning of his actions.

Lantos said he considers it impossible to correct what happened in Bosnia. He said the task is to minimize the damage.

In an answer to Interfax's question, Lantos said the incident involving U.S. resident Jason Lynch, who was detained by Russian special services near the Krasnoyarsk-26 closed facility and then declared as "an undesirable person" and left Russia, was "the remnant of the past from which our countries are trying to go away." "The U.S. and Russia are no longer enemies but have become friends," he said.

With regards to Russia's domestic problems, Lantos said he is concerned about the "facts of offensives on the freedom of the press in Russia, especially on the eve of parliamentary and presidential elections."

"The free press is a guarantor for development of a democratic state," Lantos said.

Lantos is in Moscow on a private visit during which he is going to meet with representatives of various Russian political forces. Lantos said he met with leader of the Liberal Democratic Party of Russia Vladimir Zhirinovskiy Tuesday [15 August].

U.S., Russian Stances on Bosnia Called 'Compatible'

LD1608135495 Moscow INTERFAX in English 1229 GMT 16 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 16 (Interfax) — The political aspects of the Russian and U.S. proposals on settlement in Bosnia are compatible, Director of the Russian Foreign Ministry's Department for International Organizations Aleksandr Gorelik said.

"Further coordination is needed and the problem may be resolved," he told Interfax in an interview today.

U.S. president Bill Clinton has proposed that a meeting of the heads of member-states of the international contact group for Bosnia (Russia, the U.S., Great Britain, France and Germany) be held with the participation of the Bosnian conflicting parties. Russian President Boris Yeltsin confirmed a few days ago his initiative on holding a meeting of the heads of the leading countries with the participation of the warring sides and the leaders of the United Republic of Yugoslavia, Croatia and Bosnia.

"Russia's initiative and the U.S. political proposals are characterized by wideness of the approach because they consider the crisis, taking into account all its elements. We are united in the understanding of the fact that all conflicting parties are now responsible for the conflict. Those who are ready to cooperate with the international community must be encouraged and a different attitude must be displayed towards others," Gorelik said.

Gorelik confirmed that Russia had objections to military aspects of the U.S. proposals but declined to elaborate.

The Russian Foreign Ministry's spokesman Mikhail Demurin told a briefing in Moscow Tuesday that "if the military aspects of the U.S. proposals were submitted for discussion in the U.N. they would be unlikely to be a success."

U.S. Balkans Plan Called Rehash of Others' Ideas

MM1608151995 Moscow IZVESTIYA in Russian 17 Aug 95 p 3

[Article by Maksim Yusin: "Great Powers Fight in Balkans for Peacemakers' Laurels. Moscow Thinks That There Is No U.S. Plan for a Bosnian Settlement"]

[FBIS Translated Text] Unlike the West Europeans and the Bosnian Serbs, Moscow gave a restrained

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response to the U.S. plan for a settlement in Bosnia. Although there are evidently not that many objections in principle. Mikhail Demurin, the Russian Foreign Ministry's official spokesman, singled out just one point with which Moscow flatly disagreed — the Americans' suggestion that the implementation of the peace plan be "bolstered" by strong-arm measures.

It was clear from conversations with diplomats tackling the Balkans that the Russians are mainly troubled by the fact that Washington is trying to usurp the peacemaker's laurels by presenting as their own ideas which other members of the Contact Group, including Russia, have voiced in the past.

"The U.S. plan that has been so widely advertised by the press does not exist," IZVESTIYA was told by an informed interlocutor on Smolensk Square. "We have not heard a single new idea from the Americans. During previous meetings of Contact Group members it was also said that an exchange of territories is possible and that the Bosnian Serbs should be given the right of entering into confederative relations with Yugoslavia."

Generally these proposals were not made by the Americans, and Washington's reaction was until recently skeptical. People at the Russian foreign policy department are convinced that the fact that there has now been a change gives grounds to speak merely of the evolution of the U.S. position, but not of the birth of a new initiative.

Moscow is fighting to ensure that no country tries to act alone and that peace proposals are formulated solely within the Contact Group framework. According to Mikhail Demurin, Anthony Lake, the U.S. President's national security adviser, who met with Andrey Kozyrev in Sochi, agreed in principle with this approach. Consultations between senior officials representing the five Contact Group countries are scheduled for next week. Then the Russian, U.S., French, British, and German foreign ministers may meet.

As for the Russian proposal to hold a summit meeting on a Balkan settlement with the participation of the Serbian, Croatian, and Bosnian presidents, it is being postponed, probably indefinitely. "First it is necessary to formulate a concrete plan, secure its approval in principle by the leaders of the warring sides, and then bring them to the negotiating table," IZVESTIYA was told by Smolensk Square.

West European journalists covering the conflict in the Balkans by and large share Russian diplomats' view that the U.S. plan is a compilation of other people's ideas. The only new element is the specific proposals regarding the exchange of territories. France's LE FIGARO published 16 August the maps of Bosnia divided between the Serbs and the Muslim-Croatian federation that Anthony Lake brought with him. Washington is proposing three changes compared with the plan for a territorial division (51 percent to the Croats and Muslims and 49 percent to the Serbs) elaborated by the Contact Group last year: The Muslims cede the enclave of Gorazde in the east of the republic, agree to the widening of the "northern corridor" in the Brcko area, which is of strategic significance for the Serbs, and the latter in turn return the area around Sarajevo to the Bosnians.

Muslim leader Alija Izetbegovic resolutely rejected the U.S. initiative, considering the surrender of Gorazde unacceptable. But Washington is not losing hope that Assistant Secretary of State Richard Holbrooke will be able to make the Bosnian president change his mind during his visit to Sarajevo.

Meanwhile the Russian Foreign Ministry is drafting "analytical documents" that Boris Yeltsin needs to decide the fate of the laws adopted by the Duma late last week: namely, on the unilateral abandonment of the sanctions against Yugoslavia and the introduction of unprecedentedly tough sanctions against Croatia.

Under the Russian Constitution laws must be examined by the Federation Council within a month of their approval by the Duma. If that does not happen, they are considered automatically approved and are sent for the president's signature. People on Smolensk Square are inclined to take the view that Yeltsin will veto at least one of the Duma's laws — on sanctions against Zagreb.

Moscow Slams Attempts To Play 'Kosovo Card'

LD1608180895 Moscow INTERFAX in English 1702 GMT 16 Aug 95

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 16 (Interfax) — Moscow believes that interference in Yugoslav internal affairs is inadmissible, a high-ranking Russian Foreign Ministry official said in an interview with Interfax Wednesday, commenting on Albanian Foreign Minister Alfred Serreqi's protest sent to the U.N. security Council, Organization for Security and Cooperation in Europe and to the Contact Group. The protest was issued after Belgrade announced its plan to send Serb refugees from Krajina (Croatia) to the Kosovo autonomous region (Serbia).

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"Kosovo is an inalienable part of Yugoslavia. Any attempts to question this are not justified and must be rejected," stressed the diplomat.

He said that Tirana's concerns could be justified only if Yugoslav authorities took "restrictive measures" against ethnic Albanians living in Kosovo. "As it is known, no such measures were taken, that is why all attempts to play the 'Kosovo card' once again are absolutely groundless," said the source in the Russian Foreign Ministry.

He noted that some time ago the U.S. tried to link lifting international sanctions against Yugoslavia to the situation in Kosovo. However, we managed to persuade the Americans not to increase tension in the Balkans, said the diplomat.

Aleksandr Gorelik, head of the Russian Foreign Ministry International Organizations Department, told Interfax Wednesday that "the Albanian foreign minister's protest is not discussed in the U.N."

Spokesman Praises PLO-Israeli Interim Accords

LD1608144195 Moscow ITAR-TASS in English 1426 GMT 16 Aug 95

[By Andrey Urban]

[FBIS Transcribed Text] MOSCOW, August 16 (Itar-Tass) — Moscow welcomes interim agreements to expand the Palestinian autonomy in the West Bank reached by PLO leader Yasir 'Arafat and Israeli Prime Minister Shim'on Peres in the Egyptian town of Taba, Russian Foreign Ministry spokesman Mikhail Demurin said.

In an interview with Itar-Tass on Wednesday, Demurin said the agreement which also calls for moving Israeli troops to a new location and taking the necessary security measures is the first step towards a real Palestinian self-government. Its main parameters are laid out in the Declaration of Principles signed by Israel and Palestine in September of 1993 and guaranteed by the co-sponsors of the Middle East peace process — Russia and the United States.

"We consider the results of the meeting between Yasir 'Arafat and Shim'on Peres in Taba as a difficult compromise which was reached through serious doubts and difficulties, including a controversial, and sometimes openly negative, attitude towards the negotiating process among certain political forces both in Israel and Palestine," Demurin said.

"We understand that an additional and, perhaps, even firmer commitment is needed in order to dovetail all interconnected aspects of the agreement, now being worked out, on the second stage of the transitional period, while taking into account the concerns of the contracting parties. It would be unrealistic to think that all major problems can be resolved overnight," he said.

"Of course, we are not turning a blind eye to the fact that some previously agreed deadlines have been extended. At the same time, Moscow considers it a matter of fundamental importance that the Israeli and Palestinian leaders remain committed to the search for mutually acceptable solutions to disputable issues, show restraint, take a balanced approach and look for partnership, not confrontation," the spokesman said.

"Only such constructive behaviour can pave the way to genuine good-neighbourliness, cooperation and stability. Russia sincerely wishes the peoples of the Middle East just and lasting peace and will actively facilitate further progress at the PLO-Israel negotiations," Demurin said.

Country Prepared To Help Resolve Korean Question

SK1608150195 Moscow Voice of Russia World Service in Korean 1200 GMT 16 Aug 95

[FBIS Translated Text] (Valeriy Zenichev), a spokesman for the Russian Foreign Ministry, stated that Russia feels the DPRK and ROK should be reunified in a democratic manner through dialogue [taehwa pangsiguro minjujoguro]. He noted that Moscow is prepared for economic and political cooperation with both Pyongyang and Seoul. The Russian diplomat also noted that Russia, which liberated the Korean peninsula from Japanese colonial rule, is prepared to assist in the complete resolution [wanjonhan haegyol] of the Korean question.

Demurin on Need for Laws on Caspian Sea Activities

LD1608164095 Moscow ITAR-TASS in English 1257 GMT 16 Aug 95

[By Andrey Urban]

[FBIS Transcribed Text] MOSCOW, August 16 (Itar-Tass) — "The establishment of rules regulating the activities in the Caspian sea region, including the involvement of natural and juridical entities from third countries, is a prerogative of the Caspian states", said a spokesman for the Russian Foreign Ministry Mikhail Demurin,

Demurin noted that a corresponding document — a convention, should be drafted to establish a legal status of the Caspian sea, taking into consideration political, economic and social interests of all Caspian

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states. The navigation, development of natural resources and protection of its ecology should be regulated by international laws worked out with the participation of all Caspian states.

The Russian diplomat reminded of the fact that last week a Russian delegation led by Vice-Premier Aleksey Bolshakov met with a delegation from Turkmenistan led by president Saparmurad Niyazov. During the meeting the sides discussed problems connected with the Caspian sea and agreed that the resources of the Caspian Sea should be developed on the basis of coordinated decisions adopted on the basis of consensus between all Caspian states. It is necessary to create a mechanism for regional cooperation which is the only way to meet the interests of all Caspian states and preserve this unique ecological complex, Demurin noted.

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Political Issues

Yeltsin Meets With Democratic Party Leaders

LD1608122695 Moscow ITAR-TASS in English 1148 GMT 16 Aug 95

[FBIS Transcribed Text] MOSCOW, August 16 (ITAR-TASS) — President Boris Yeltsin continues to hold meetings and consultations with the leaders of democratic parties and movements, ITAR-TASS learnt from a report received from the Russian president's press service.

The Russian leader had a lengthy and frank conversation with Aleksandr Yakovlev, chairman of the Russian Party of Social Democracy, in the Kremlin today. The sides centred on unification of democratic forces before the elections to the State Duma (Russian parliament lower house).

The report says that the party leader expressed opinion that, despite the common trend for continuing the democratic development of Russia, there is a threat of revanschist restoration. This danger emanates both from right-wing revenge seekers and from bureaucrats.

Yeltsin noted that the key task is to bring closer together democrats under the present circumstances. In the president's opinion, the matter in question now is the basic course for Russia's future development which needs unity of all democratic forces.

'Detatchment' Supports Yeltsin Bid for President

LD1608123795 Moscow INTERFAX in English 0925 GMT 16 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 16 (INTERFAX) — The Russia Detachment (Otryad Rossiya) which took part in the defense of the White House during the August 1991 coup has called on Boris Yeltsin to nominate his candidacy at the 1996 presidential elections, chairman of this public association Vladislav Krainik told INTERFAX Wednesday.

Krainik said that "having certain experience to rule the country under difficult situations Boris Yeltsin has a necessary authority which is needed for a head of the state."

In his words, "Russia Detachment together with the Cossacks and other political forces in Russia will support Yeltsin in the elections campaign."

Earlier the public committee on Yeltsin's nomination as a candidate to Russian presidency at the 1996 elections put forward the same initiative.

Yeltsin Returns Proposed Water Code to Duma

LD1608215095 Moscow ITAR-TASS World Service in Russian 1432 GMT 16 Aug 95

[FBIS Translated Text] Moscow, 16 Aug (ITAR-TASS) — Russian President Boris Yeltsin today rejected the water code of the Russian Federation and sent it back to the State Duma for reconsideration, proposing a number of amendments and additions to the given legislative act, according to a presidential press service report received by ITAR-TASS.

In a letter sent to Ivan Rybkin, chairman of the State Duma, on the occasion, the head of state pointed out that the draft water code of the Russian Federation does not correspond in a number of points to the country's Constitution, the Russian legislative system, and the rules of judicial procedure. The president believes these shortcomings can be overcome if the amendments and additions suggested by him are introduced into the water code.

Today the Russian president also rejected the federal law "On economic support for regional (town) newspapers" on the basis of part 3, Article 107 of the Russian Constitution, the press service reported.

Yeltsin Appoints Ex-Nationalities Minister as Aide

LD1708114395 Moscow ITAR-TASS in English 1102 GMT 17 Aug 95

[FBIS Transcribed Text] MOSCOW, August 17 (ITAR-TASS) — Russian President Boris Yeltsin on Thursday appointed Nikolay Yegorov his aide, supposedly to be responsible for the regional and national policy and the federative system of the state, the presidential press service told ITAR-TASS.

Yegorov' resignation from the post of Russia's nationalities minister was accepted in the wake of a bitter critisism against the government handling a hostage crisis in the southern Russian city of Budennovsk when over 100 people were killed in a clash with Chechen terrorists.

Solkin Appointed Head of Federal Courier Service

MM1608131895 Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 1

[Unattributed, untitled report from the "Official" column]

[FBIS Translated Text] By Russian Federation presidential decree, Viktor Nikonorovich Solkin has been appointed director of the Russian Federation State Federal Courier Service.

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Presidential Panel Tasked With Boosting Conversion

MM1708091795 Moscow IZVESTIYA in Russian 16 Aug 95 p 2

[Report by Sergey Leskov: "Presidential Council Hopes to Reanimate Conversion"]

[FBIS Translated Text] The first working sitting of the Scientific and Technical Policy Council under the Russian Federation president took place 15 August in the Kremlin under Boris Yeltsin's chairmanship.

A problem was discussed which, according to the chairman, is vitally important — dual technologies. According to assessments, around 70 percent of technologies in the Russian defense complex can be used in the civilian sector.

Following a sitting behind closed doors, the main speaker, Academician Ye. Velikhov, listed for your IZVESTIYA correspondent the specific projects which were submitted to the president for scrutiny. There are 10 top-priority technological programs: the use of special chemical methods to prepare medical and other useful substances; underground nuclear electric power stations; the development of gas-bearing Arctic shelves; the "Sea Start" international project for delivery rockets; global information networks; industrial electronic complexes; support for the Russian electronic industry; the Il-96 transport aircraft with Pratt and Whitney engines; heavy vehicle-based mobile complexes for repairing boreholes; and small gas turbine electric power plants.

There is no denying that these are important projects, although none of them are new — they date back to the time of perestroyka. Ever since it began the state's best brains have been trying to solve the problem of conversion. And how many programs have been written! But this is a tough nut to crack. Cases of the successful application of military developments in the civilian economy are few, and their introduction is proceeding with great difficulty. It appears that there are fewer positive examples than there are structures created for advancing conversion.

In this respect, the presidential council differs little from its predecessors. From what B. Yeltsin said, its tasks are enhancing the role of federal organs, improving the financial and legal mechanism for stimulating investments, eliminating departmental barriers, and encouraging entry into the external market. In short, we are still talking about state control over conversion.

But world experience of conversion — which itself, incidentally, is none too rich either — indicates that success comes not when dual technologies are encumbered with curbs and restraints but when life itself, the economy, makes their introduction into the civilian sector advantageous. The private sector's assurance of profit following considerable industrial investments is far more important than state guardianship, which always plays only an auxiliary role in this issue. But the economic realities in Russia today are such that it is hard to see the future for conversion. And the council will scarcely get things moving, although the president's deputy is the premier himself, and the members include leaders of the Russian Academy of Sciences and directors of major enterprises.

A piece of good news at the Kremlin sitting was the president's report that an increase from 6 trillion rubles to 9.5 trillion, or up to 6 percent of the total volume of GNP, is expected in the draft 1996 budget for funding science.

Chernomyrdin Report to 'Our Home' Detailed

MM1608112195 Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 pp 1, 2

[Report by special correspondents Aleksandr Batygin and Aleksandr Shcherbakov: "Into the Future — Without Crises and Upheavals. The Second Congress of the All-Russian Sociopolitical Movement 'Russia Is Our Home'"]

[FBIS Translated Text] At the congress of the "Russia Is Our Home" [NDR] movement in the "Rossiya" State Concert Hall last Saturday [12 August] delegates representing 83 NDR regional departments discussed and approved the movement's program and election platform.

The congress was addressed by Viktor Chernomyrdin, leader of the Russian Federation Government. From his report we have selected the most characteristic theses which enable us to understand exactly how and through what means the NDR intends to resolve the numerous problems facing the country, and what the movement can really do — right now and in the long term — for the millions of Russians who are weary of crises and upheavals, the free-for-all of the market, and the rampage of crime.

We Need Good Habits

We have stopped simply falling; we have survived and are beginning to climb back up... The end of June saw a 2-percent growth in production by comparison with June of last year. People may say that 2 percent is not very much, but, I think, a small growth is better than a large slump! Indeed, we have become unfamiliar with the term "growth" in the production sphere in recent

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years. Now we will grow accustomed to it again. We need good habits.

Who Said That the Market Is the Enemy?

Over the years of reforms a sizable proportion of enterprises have set their activity on a stable commercial footing. Almost no one now expects free money from the state. Even many industrial giants are finding efficient forms of working in market conditions. These enterprises are really becoming the backbone of the new economy and assuming the functions of controlling large segments of the market. And the results are obvious. Can you count all the new trucks made at the famous Gorkiy Truck Plant on the streets of our cities?

The State Is Not a Bronze Horseman

There are also real improvements in the country's political life. Our Federation has been consolidated and on the basis of the Constitution a political system has by and large taken shape, and, despite all the difficulties, the democratic foundations of our existence have proved viable and well-grounded. The effective presidential power has been created and consolidated. The vertical structure of the executive has begun to work properly, albeit not without hitches.

The state has begun to turn toward the individual. There is a lot of brass-bound irrationality and vanity in it. But it is no longer Pushkin's Bronze Horseman [epitome of imperious state with no regard for the individual], pitiless, and deaf to human suffering.

Our new state system, as defined by the Russian Constitution in December 1993, has largely taken shape. We are faced with a choice — either to adapt and fill the links and systems with a positive content, or once again to take the course of ultraradical reforms and revanchist convulsions. This is the choice which Russia must make in December.

Enough Living in Fear

In recent times we have encountered an upsurge in the crime wave, the cutting edge of which is aimed against both the state and against enterprise that is civilized and geared toward production. I wish to state especially that the series of contract killings of bankers, Russian business leaders, and public opinion shapers must become a Rubicon with regard to the criminal and subcriminal structures, which aspire not only to economic, but also to political, influence and power. This must be stopped! Our movement will exert the maximum effort to enlist all the healthy forces of society in the battle against crime.

Russia Needs Russian Talents!

We cannot help but be distressed over the way that Russians live today. Over the fact that Russians are forced to find an outlet for their talents outside Russia. Over the fact that professionals in science, culture, the Army, defense production, and agriculture — all those people who are the salt of our earth and who should by their labor have constituted Russia's middle class — today find themselves on the brink of poverty, and not seldom, below the poverty line. If we set ourselves the task of achieving standards of living worthy of our people, the first thing we must do is to make progress in the solution of social questions.

It so happens that the NDR was "foreordained" to hold its second congress in two phases. On 12 August its delegates discussed and largely approved the movement's policy documents, and on 2 September they will assemble again to name the election bloc's candidates at the parliamentary elections.

The reason is that in politics, as in sport, every minute and every second counts. The congress organizers were supposed to receive the full complement of election laws before the congress began. But State Duma deputies only last Saturday, overturning the Federation Council's veto, finally adopted the Law on Single-Seat District Boundaries.

The congress put forward new proposals, including on the economy. One of the ideas heard in V. Chernomyrdin's report was the idea of "national accumulation." The gist of it is that, by issuing securities with state guarantees, the government and the regions will accumulate financial resources for investments in the national economy. In the prime minister's opinion, investments are what is most necessary today. "We cannot rescue the economy with mere verbiage," he commented.

Whatever methods are adopted in politics, economics, and the social sphere, the congress heard, values such as patriotism, decency, and professionalism remain eternal. Viktor Stepanovich warmly welcomed the initiative of the editorial collectives of ROSSIYSKAYA GAZETA, RABOCHAYA TRIBUNA, and SELSKAYA ZHIZN, which held a roundtable for Heroes of Socialist Labor — people who have received the Motherland's highest recognition. In Saturday's edition ROSSIYSKAYA GAZETA and the other publications published an appeal from veterans of labor to the chairman of the NDR movement, Viktor Chernomyrdin. "It is necessary to restore public recognition and prestige to working people," the appeal says.

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"They are right," the NDR's leader said from the congress platform. "I think that we should reflect their desires in the movement's policy documents and ensure that the worker's skill and the high professionalism of the academic, the executive, and the artist are appreciated just as highly as military prowess. It would obviously be correct if the title of Hero of Russian Labor were ranked equally with the title of Hero of Russia...."

Incidentally, the NDR movement has acquired an offshoot — the A.D. Sakharov Academics' Club. The club will hold meetings with academics and discuss the latest achievements in science and technology.

The main document from the congress was the program. After keen discussion of the draft at a theoretical and practical conference and in regional departments the text of the document was considerably amended. A section on agrarian policy appeared, and the chapter on foreign policy and security underwent major revision.

After its second congress the NDR intends to begin implementing specific programs for the regions. What is the essence of these programs? We put this question to V. Chernomyrdin at his press conference.

"Taking control of processes in the regions, modifying negative tendencies — that is one of the movement's most important tasks," the answer followed. "More trust in the regions should be shown!"

One or two fellow journalists tried to "ambush" Viktor Chernomyrdin at the press conference, meticulously grilling him over [the movement's] revenue and "gas industry" shares. The movement's leader laughed and calmly explained: He cut off all links with the gas industry in 1992, on the day he went to work in the government.

As the saying goes, short and to the point. We do not plan to eulogize the nomenklatura, but in the person of Chernomyrdin the NDR movement has undoubtedly acquired a genuine leader who does not lose face, as we have already seen several times, in the most difficult situations.

Isakov Reviews Week's Political Events

MM1608112495 Moscow SOVETSKAYA ROSSIYA in Russian 15 Aug 95 pp 1, 2

["Parliamentary Diary" by Vladimir Isakov: "Social Gathering"]

[FBIS Translated Excerpt] 14 August 1995 — [passage omitted]

Russian Diplomacy Chokes on Success

The attention of deputies who gathered for the chamber's extraordinary session was, naturally, not occupied only by election questions. Deep concern over the political settlement process in Chechnya was expressed. Having made a hash of its brainless, unprepared offensive, Russia is today demonstrating a just as lethargic and aimless approach to the "peace settlement," the result of which could be (and effectively already is) the restoration of Dudayev's criminal regime and new casualties.

The decree adopted by the State Duma draws the attention of the president and the government to the lack of control over the use of state funds allocated for rebuilding Chechnya. You get the impression that, in the twilight of his presidency, B. Yeltsin has decided to parade his total impotence to the country — his inability to find a solution to a single state problem, with the exception of the consolidation and expansion of his own power.

The State Duma condemned Croatia's wide-scale aggression against Serbian Krajina, which is being accompanied by mass destruction of the civilian population. The fact that Croatia attacked a territory protected by the United Nations with the connivance and support of the NATO countries, especially the United States, is the height of cynicism. "The largest human, national tragedy in Europe since the end of World War II is unfolding before the very eyes of mankind," the Duma's statement runs. "The Serbian people, who suffered huge losses 50 years ago, are again suffering at the hands of the Croatian authorities."

Laws on measures aimed at supplying humanitarian aid to the Federal Republic of Yugoslavia and on Russia's immediate renunciation of international sanctions against that country were adopted in three readings at once. In the prevailing situation there is not much chance of these laws coming into effect: The Russian president, caving in to the West, will veto them, and the foreign minister will try to justify this gesture with reference to the principles of civilized diplomacy. But a clear signal has been given to world public opinion: There are forces in Russia prepared to oppose interethnic genocide in Yugoslavia.

People Are Sick of These Revolutions

Last week society's attention was attracted by the president's edict "On the Russian Federation President's Administration of Affairs" — the latest "masterpiece" of this era of the developed building of totalitarianism in one country.

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Such is the custom in our country that the modest name of an organization far from always reflects its real status and influence in state affairs. For example, the former CPSU Central Committee Administration of Affairs was a huge economic and financial structure, and the actual central organ of administration was concealed under the banner of the Organizational Department. But the current president has outdone them all, categorically outdone them all!

According to the edict signed by him, the President's Administration of Affairs is to be transformed into a federal executive organ providing financial, material and technical, and social and everyday services to the president himself, and also to the government, both houses of the Federal Assembly, the Constitutional and Supreme Courts and the Higher Court of Arbitration, deputies, judges, members of the Central Electoral Commission, and also officials of the aforementioned organs' apparatuses.

Those who decide that we are talking about health centers, kindergartens, and health resorts are profoundly mistaken. No, the major activity of the aforementioned organs is to be taken under the tender and unobtrusive care of this presidential structure — "the support and servicing of meetings, conferences, and other special events," "motor transport services," "the provision of housing," and so forth. The President's Administration of Affairs will now estimate the expenditure of the aforementioned organs, determine the limits of expenditure, and fund the aforementioned expenditure. The buildings of all the supreme organs of state power will henceforth be built, maintained, and equipped at the expense of this organization (maintenance services have already been transferred to the jurisdiction of the President's Administration Of Affairs).

The fulfillment of all the functions listed above will require considerable financial expenditure. No problem: "Funds allocated from the budget for the maintenance of the Russian Federation Presidential Staff, the Russian Federation Government, and the chambers of the Federal Assembly" are to be transferred to the jurisdiction of the President's Administration of Affairs....

So that is that. Russia no longer has an independent legislature, executive, or judiciary. For the financial noose is more terrible than tanks: One twist of the financial "faucet" and the life of a state organ comes to an end. The financial "weapon" was tested recently during the "parliamentary-governmental crisis," when, by order from Staraya Ploshchad [the Presidential Staff] the financial activity of the State Duma was suspended. There is no doubt that it will be used again in case of necessity.

But that is still not all. Taking advantage of the paranoia reigning in Kremlin offices, the President's Administration of Affairs has extorted for itself unprecedented rights and powers. It has become the all-powerful and uncontrolled master of the gigantic state property fund transferred to its jurisdiction. It has been given the right to create, reorganize, and abolish enterprises, to independently ratify their charters, to lease property, to conclude contracts, to determine the prices for its services, and to participate in foreign economic activity....

Proceeds from this structure's socioproductive activity, according to the statute, are to be channeled into a special "reserve fund," to be used for "giving financial support to enterprises, organizations, and institutions under the department, for implementing measures aimed at their development, and for materially encouraging officials of the administration of affairs, and other purposes."

Under the president's edict the income of enterprises, organizations, and institutions of the Administration of Affairs are exempt from federal taxes, and the organs of power of the federation components and organs of local self-government are recommended to exempt them from local taxes also. The Russian Federation government is instructed to exempt the aforementioned enterprises from payment of import customs duties on goods imported by them and to grant them tax credits in 1995-1996. It is difficult even to imagine some concession or privilege that does not figure in this list. Just see how the indefatigable scourge of "nomenklatura structures" really operates.

Lining up one after the other, his edicts form a series of extremely eloquent steps: the abolition of the independent security services of the supreme organs of state power, the subordination of the Main Protection Directorate to the President's Security Service, the abolition of the independent economic services of the supreme organs of state power, their complete organizational and financial enslavement, and finally, as reported in the press, yet another reassignment of jurisdiction over the antiterrorist subdepartment "Alfa"....

Well, where do these steps lead? [passage omitted]

Two Deputy Interior Ministers Resign

LD1708065495 Moscow Mayak Radio Network in Russian 0600 GMT 17 Aug 95

[FBIS Translated Text] Mikhail Yegorov and Yevgeniy Abramov, first deputy ministers of internal affairs, have tendered their resignations. It is believed that this is not connected with any mistakes in their professional work but is rather based on moral and ethical considerations.

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The fact is that not long ago they were both chiefs of the present minister of internal affairs.

Rybkin Bloc Reserves Half of Slate for Agrarians

MK1608150495 Moscow SEGODNYA in Russian 16 Aug 95 p 2

[Report by Petr Zhuravlev: "Ivan Rybkin Will Insist on Cooperating With the Agrarian Party of Russia. Half of the Center-Left Bloc Slate Will — Just in Case — Be Reserved for the Agrarians"]

[FBIS Translated Excerpt] [passage omitted] The speaker [Ivan Rybkin] said yesterday [15 August] that early next week the center-left bloc, which he heads, would hold its "first stage" conference. It is expected that, "counting on Agrarian Party members' common sense," only half of the general federal list of candidates for deputy will be approved there. It will be recalled that several weeks ago Mr. Rybkin and Mikhail Lapshin, leader of the agrarians, told journalists that the Agrarian Party of Russia [APR] will be the core of the center-left bloc or, in any case, a part of it. Then, however, some problems arose. The election congress of the agrarians, due to be held on 2 September, is expected to clarify to a certain extent the situation with the APR joining Mr. Rybkin's bloc. The second stage of the bloc's conference — when the list of candidates is to be approved in full — will be held after the agrarians' congress.

"We will by all means insist on cooperating with the APR in single-seat constituencies," said the Duma speaker. "All of those in contact with me now do not share the euphoria of those believing that they have already grabbed God by the beard." [sentence as published] In Ivan Rybkin's opinion, the fight in the forthcoming election will be "much more fierce and cunning than two years ago, and those who count on any political advantages and dividends gained at that time do so in vain." At the same time, Mr. Rybkin "would not wish at all" that the APR split, and he "will not contribute to this."

Consultants Team Up, Refuse To Assist Extremists

MK1708042495 Moscow SEGODNYA in Russian 16 Aug 95 p 2

[Report by Gleb Cherkasov: "Candidates for Deputy Will Need $200,000-300,000. Consultants on Holding Election Campaigns Ask Extremists Not To Bother."]

[FBIS Translated Text] Yesterday [15 August] the managers of a number of agencies working in the sphere of political consulting made a presentation to reporters at the Association of Political Consulting Centers (APCC). The Association has been set up "to form a civilized market of political consultants' services, to provide legal protection to agencies and centers," as well as "to affirm the status and prestige of the political consultants' profession."

Aleksey Salmin, APCC president, emphasized that Association membership does not imply any privileges and that its members are not going to set uniform prices for their services. According to Mr. Salmin, agencies that join the Association will have to meet rather tough requirements as to the standard of the services offered. Furthermore, they are supposed to cooperate only with "democratic organizations" (Aleksey Salmin thinks these are all associations that intend to obtain power on the basis of elections and that are ready to relinquish it after they fail in an election). The Association will abide by the rules of "fair play" in the course of the election campaign.

In reality, judging from the statements of APCC members, the political consultants intend to cooperate to a greater extent with organizations other than extremist communist and national-patriotic ones. Boris Makarenko, a member of the Association, said that for agencies involved in political consulting, "democratic organizations are more natural partners." According to Vladimir Rimskiy, the organizations belonging to the national-patriotic spectrum take no interest in the services of independent consultants. However, there has not been and, most likely, will not be any cartel agreement as to which organizations will be worked with in the course of the election campaign and which will not.

Yekaterina Yegorova, a representative of the "Nikollo M" center, explaining the reasons for the election inactivity of the democratic organizations, said that most democrats are neither aware nor willing to be aware of the election-related aspirations of the voters. At the same time, according to Boris Makarenko, the creation of the "Russia Is Our Home" movement, which virtually all the consultants place on the democratic part of the spectrum, indicates that "the democrats are not going to give up the election without a fight."

Speaking of the forthcoming election campaign, Igor Bunin, a member of the APCC board, said that it is going to be more complicated than the previous one. His colleague, Igor Mintusov, estimated the cost of an election campaign in a single-seat constituency at $200,000-300,000. In a number of regions, the figure can be considerably lower, though. Mr. Mintusov believes that voter turnout this time will be slightly smaller than in 1993. As he put it, everything depends on the art of the politicians, consultants, and media workers.

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Thrust of 'Secret' Antiterrorism Edict Reported

MM1608152195 Moscow IZVESTIYA in Russian 16 Aug 95 p 2

[Report by Lyudmila Pivovarova: "President's Edict 'On Combating Terrorism' Being Prepared"]

[FBIS Translated Text] As we found out from well-informed sources close to the Russian Federation President's Staff, an edict "On Combating Terrorism" is being prepared. According to these sources, there are differing stances on this question within the "power" departments and at the moment it is hard to say which of them will prevail.

According to specialists, in many countries the lack of a mechanism for forming a single state policy, departmental barriers between the various "power" structures, and the absence of a single center coordinating the efforts of all the "power" structures have been the main obstacles to effectively combating terrorism.

The classic system of an established antiterrorist service presupposes the creation of a single antiterrorist center, directly subordinate to the president and the premier, and a crisis operations staff.

The center should coordinate the efforts of all the departments involved in the fight against terrorism, including even civil aviation, the maritime and river fleets, the Ministry of Communications, and others, at government level. With this aim in mind, leading specialists from the "power" ministries are to be assigned to it (for two or three years).

The center is to coordinate and monitor all of these ministries' antiterrorist actions.

The center is to devote most attention to analysis.

With information backup from operational subdivisions, the analysts are to create a most detailed data base on all terrorist organizations and recommend the most effective methods of combating them. Specialists are to make the avalanche of information more manageable for the people who make the decisions by filtering out everything that is unnecessary, and are to maintain direct contacts with the operational antiterrorist groups.

The training department in the sphere of combating terrorism will play an important role in the center's structure. It is to comprise legal experts and specialists on negotiations, on the release of hostages, on weapons and special equipment, on means of protection, and on explosives. The main aim of this department is to teach state officials at various levels (on the basis of world experience) what to do in emergency situations, and to organize staff, command, and field exercises.

The sources on the Russian Federation President's Staff believe that the edict will most likely be a secret one, and at best only the enactment section will be published.

This can be attributed to the fixed attention of the "terrorism professionals" to any attempts by the state to control the activity of terrorist organizations and combat them.

Military Issues

Kokoshin Repeats Plea for More Defense Spending

MM1608154695 Moscow KRASNAYA ZVEZDA in Russian 16 Aug 95 p 1

["Own information" report under the "From Official Sources" rubric: "Strengthening Defense Capability Requires Adequate Expenditure. This Has Been Discussed at Government Level"]

[FBIS Translated Text] During the session of the Russian Federation Government Commission for Operational Questions 14 August this year, at which the state of affairs in the Russian defense complex was discussed, Russian First Deputy Defense Minister Andrey Kokoshin again raised the question of increasing defense expenditure, including on arms, military equipment, and defense research and development within the framework of a general increase in expenditure on the stated aims. This must be done in respect of both expenditure in the second half of 1995 and the 1996 draft budget. In so doing account must be taken of the unprecedented reduction in expenditure on these needs which has taken place since 1991 and the real rate of price increases, which is higher than that incorporated into the 1995 budget.

The need to increase defense expenditure is determined not by the fact that Russia is preparing to fight somebody, the first deputy defense minister noted. The country needs the appropriate level of power in the Armed Forces and in defense science and industry as the most important factor in ensuring genuine sovereignty. Kokoshin also stressed the urgent need to accelerate the process of forming powerful industrial corporations and concerns, including state ones, and of setting up with their involvement financial and industrial groups producing both modern arms and civilian national products which can compete in world markets. They must be given effective state support in order to ensure the security of Russia's defense and economy.

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Emergency Conference Held To Save Draft Program

LD1608185595 St. Petersburg Fifth Channel Television Network in Russian 1530 GMT 16 Aug 95

[FBIS Translated Text] An emergency conference was held in the St. Petersburg mayor's office today on the problem of the army call-up. The draft is in danger of breaking down altogether at the moment. [video shows conference, army training exercises]

[Begin unidentified speaker recording] This has got to be made to happen, the military obligation quite simply has to be met. [end recording]

The army is at present literally being throttled by lack of personnel. But few people currently pay any attention at all to the call-up notices, and the system of penalties for refusing to do one's military service today is virtually nonexistent. The situation is made worse by the fact that now the state of health of recruits has deteriorated considerably — one in three is deemed unfit to carry out combatant and front-line service.

A program of emergency measures to ensure the draft takes place was drawn up at the conference. This may save the situation. There are 28 days to go to the end of the call-up campaign.

Cossack Units Formed in Armed Forces

LD1608164695 Moscow INTERFAX in English 1229 GMT 16 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 16 (INTERFAX) — Over 20 Cossack units are now being formed within the Russian Armed Forces, Chairman of the Russian Union of Cossacks Aleksandr Martynov told journalists today after the meeting of the Council on Cossack Affairs under the Russian president.

Martynov said 12 Cossack posts and two units were also being formed within the Russian Federal Border Guard Service. A separate Cossack border regiment will be created on the Far East's Sakhalin island.

With regards to President Boris Yeltsin's decree of August 9 on the state register of Cossack communities in Russia, Chairman of the Council on Cossack Affairs Nikolay Yegorov said this decree laid the legal foundation for Cossacks to serve the state. He said the future Cossack units would be subordinate not to Cossack military commanders but to relevant federal departments. During service Cossacks will be banned from participation in political activity except voting at elections.

Russian Security Council Deputy Secretary Vladimir Rubanov, who also took part in the meeting, said the president's decree marked the beginning of Cossacks becoming potential soldiers.

Participants in the meeting said the Russian president's decrees on state service of Cossacks and giving Cossacks land, a program for the social and economic rebirth of Cossacks and a decree on equipping the Russian borders were currently being drafted.

An All-Russian conference on Cossack problems will take place in Moscow on September 6-7, Yegorov said.

Federal Assembly

Chernomyrdin Urged To Act on Debt to Pension Fund

MM1608152295 Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 6

[Unattributed, untitled report under the "At the Federation Council" rubric]

[FBIS Translated Text] The Federation Council has sent an appeal to Russian Federation Government Chairman Viktor Chernomyrdin.

It notes, among other things, that the Federation Council has approved the Federal Law "On the Implementation of the Russian Federation Pension Fund Budget for 1994," but during discussion of the law it was stressed that the federal budget is currently in arrears to the Russian Federation Pension Fund to the tune of 2.7 trillion rubles.

The federal budget's growing arrears impede the timely indexation of pensions as stipulated under current Russian Federation pensions legislation and cause delays and interruptions to the payment of pensions in a number of regions.

Mindful of the extreme importance of the prompt payment of pensions, which constitute the sole source of income for 37 million of our fellow-citizens, the Federation Council urgently appeals to V.S. Chernomyrdin to ensure that all necessary measures are taken to clear the federal budget's arrears to the Russian Federation Pension Fund.

Rybkin Signs Decree on Armed Forces' Supplies

MM1708093295 Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6

[Russian Federation State Duma Decree No. 1098-1 GD "On Instructions to the Central Bank of the Russian Federation on Supplying Food to the Russian Federation Armed Forces and Liquidating Debts to Sociocultural Institutions," signed by I.P. Rybkin, chairman of the

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Russian Federation Federal Assembly State Duma, in Moscow on 21 July; from the "Documents" section]

[FBIS Translated Text] The Russian Federation Federal Assembly State Duma decrees:

1. That the Central Bank of the Russian Federation, in accordance with Article 26 of the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)" (using the wording of the Federal Law "On Amending and Supplementing the RSFSR Law 'On the Central Bank of the RSFSR (Bank of Russia),' is to pay profits of 1.8 trillion rubles into the federal budget in July 1995.

2. From the aforementioned source the Russian Federation government is to supply the food needs of the Russian Federation Armed Forces, to transport to the North food and fuel for organizations of the Russian Federation Ministry of Defense, and also to liquidate debts to sociocultural institutions.

3. This decree is to be sent to the Central Bank of the Russian Federation and the Russian Federation Government.

[Signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma

[Dated] Moscow, 21 July 1995

Regional Affairs

Yeltsin Relieves Bryansk Region Chief of Post

LD1608173195 Moscow ITAR-TASS World Service in Russian 1115 GMT 16 Aug 95

[FBIS Translated Text] Moscow, 16 Aug (ITAR-TASS) — Russian President Boris Yeltsin has by decree today released Vladimir Karpov from office as head of the Bryansk region administration at the latter's request, the Russian Federation president's press service has reported.

By another decree Boris Yeltsin appointed Vladimir Barabanov head of the Bryansk region administration.

Rostov Miners End Hunger Strike; Funds Allocated

LD1708053095 Moscow Radio Rossii Network in Russian 0400 GMT 17 Aug 95

[FBIS Translated Text] Miners of the biggest coal mining Rostovugol amalgamation in Russia's Donbass stopped a hunger strike and picketing in the center of the mining town on Wednesday [16 August] evening. The miners have been demanding that wage arrears for three months are paid. According to INTERFAX, the head of the Rostov Region's administration Vladimir Chub has signed a regulation on allocating 4 billion rubles from the regional budget to pay the wages.

Terek Cossacks Demand 'Full Rehabilitation'

MM1608120295 Moscow IZVESTIYA in Russian 15 Aug 95 p 1

[Unattributed report under the "From Our Correspondents and News Agencies" rubric: "Terek Cossacks Dissatisfied"]

[FBIS Translated Text] Cossacks of the Terek Cossack Host are demanding full rehabilitation since the presidential edict "On the State Register of Cossack Communities in the Russian Federation," which was signed 9 August, "in no way resolves the Cossacks' problems," Pyatigorsk Cossack Host Hetman Yuriy Churekov stated to INTERFAX. He emphasized that the Cossacks will continue, as they have done in the past, to demand territorial, political, and military rehabilitation.

Two Youths Shot Crossing Dagestan-Azerbaijan Border

NC1508204495 Baku TURAN in English 0939 GMT 15 Aug 95

[FBIS Transcribed Text] Baku /15.08.95/ TURAN — August 14 in the morning two citizens of Dagestan republic were shot on the territory of Dagestan. The Russian border troops opened the fire at two young people, who wanted to cross the Russian-Azerbaijani border.

According to unofficial data, those two dead persons were Lezghins living on the neighbouring to Azerbaijan zone. The same sources reported, the death of young people has become the reason for the rally of local Lezghins on the both sides of the border. However, the head of the Executive Power of Gusar Region of Azerbaijan (neighbouring to Dagestan), Ikrem Amirov, refuted this statement. "There are no rallies in the regions", he told TURAN agency.

The Commander of Azerbaijani border troops, Abbasali Novruzov, acknowledged the information about the incident in Dagestan. He added the activities of the Russian party aimed at strengthening of the border regime promote the growth of dissatisfaction of local population, the number of persons wishing to cross the border and appearance of the above-mentioned incidents.

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Immigration Control Established in Moscow Region

LD1608173295 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1400 GMT 16 Aug 95

[FBIS Translated Text] An immigration control service is being organized in Moscow and Moscow region. Ekho Moskvy radio station has learned that Russia's Federal Migration Service and the governments of Moscow and Moscow region have adopted a joint resolution on this.

Immigration control posts will be set up at the international airports in the Moscow airspace zone — Sheremetyevo-2, Sheremetyevo-1, Vnukovo, Domodedovo, and Zhukovskiy.

Temporary detention centers will also be organized for foreign citizens and stateless persons seeking refuge in the Russian Federation, to prevent them entering the Moscow region without authorization.

It is proposed to set up a temporary accommodation center for foreign citizens and stateless persons seeking refuge in the Russian Federation. The center will also receive persons found to be in the Moscow region illegally, the resolution states.

Options for Bilibino AES Phase Two Being Studied

MM1608191995 Moscow TRUD in Russian 17 Aug 95 p 1

[Report by Veronika Romanenkova: "AES May Be Moored To Shore"]

[FBIS Translated Text] The main purpose of the visit by a group of specialists from the Russian Ministry for Atomic Energy to the Bilibino AES [nuclear electric powerstation] (Chukotka) is to consider the possibility of building phase two. Your ITAR-TASS correspondent was told by the "Rosenergoatom" concern's press service that the delegation is led by Minister Viktor Mikhaylov and also comprises "Rosenergoatom" President Erik Pozdyshev and Deputy Minister Yevgeniy Reshetnikov.

The Bilibino AES comprises four units with low-capacity pressure-tube graphite reactors, which are in many respects similar to the high-power pressure-tube reactor(the "Chernobyl" type). They were commissioned in 1974-1976 and their guaranteed term of service comes to an end in 2004-2006. Experts are now examining two options for phase two of the AES, which will replace the old units. The first is to build more sophisticated pressure-tube graphite reactors on the current site. The second is to use a barge with onboard nuclear reactors as an AES, which will towed to the shore. Ministry of Atomic Energy representatives will consider both these plans and may choose one of them.

What is more, specialists will focus their attention on the development of the Chukotka power system, the funding of the Bilibino AES, social support for staff, and the enlistment of international aid. The economic problems facing Russian nuclear power stations, which have of late regularly failed to receive money from power consumers, are particularly acute in Chukotka. Since delivering equipment and fuel here costs a very great deal and air transport is the only means of travel.

Cash-Strapped 'Vostok' Profiled in Irkutsk

MM1608130095 Moscow Russian Television Network in Russian 1600 GMT 9 Aug 95

[Video report from Irkutsk's "Vostok" defense enterprise by A. Kondulukov, identified by caption; from the "Vesti" newscast]

[FBIS Translated Excerpt] [Kondulukov over video of production premises] The "Vostok" Production Association is one of Irkutsk's best-known and at the same time most secret enterprises. The camera crew were not allowed to see some of its products. However, we were given permission to air its problems, which, incidentally, are typical for the Russian defense complex.

[I.P. Osipov, general director "Vostok" Production Association, identified by caption, to camera and over glimpse of communication equipment inside an APC] All our capacities are tied to the fulfillment of the state order, yet payment for the state order is effected essentially only in treasury bills, and even then not on time and not in full. We have been struggling for the past seven months to fulfill the state order without funds which we are owed since last year.

[Kondulukov over video of trucks and communications equipment] "Vostok's" main output are (?Arbalet)-300K short-wave communications systems and mobile control posts. Everything from a fax machine and a computer to the most powerful radio transmitters is fitted inside two trucks. The main consumers of this largely unique equipment are the Ministry of Interior, Ministry for Emergency Situations, and Ministry of Defense. The plant regularly dispatches armored vehicles full of this equipment. But payments are few and far between.

[Osipov] It is no use complaining. You got to work on people, try and convince them, win them over, defend your corner.

[Kondulukov] Generally speaking, just like in the old times when plant directors traveled to the capital to secure funds.

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Conversion output helps a little — microwave ovens and pine furniture. [passage omitted]

The "Vostok" enterprise now participates in the "Solnechnyy Kremniy Sibiri" regional program for the production of solar batteries. However, workers are under no delusion. It will take a long time to catch up with the Americans, and it will be possible only if investments are forthcoming. For the time being the "Vostok" defense plant is vegetating rather than living. They are waiting for suppliers to deliver transistors, trying to squeeze money out of the Ministry of Finance and sell treasury bills so as to be able to pay wages. [video shows "Vostok" production facilities, some output, interview with director, more production facilities, conversion output, other output, partly under cover, more fairly primitive production facilities]

Tatarstan, Moscow To Create Joint Oil Venture

MK1708084695 Moscow KOMMERSANT-DAILY in Russian 16 Aug 95 p 9

[Report by Galina Pechilina: "Kazan Has Enough Oil for Everybody"]

[FBIS Translated Text] Last Friday [11 August], Boris Yeltsin signed the edict "On the Creation of the 'Mostatnafta' Financial and Industrial Group," in which he approved of the initiative of the Moscow government and the Tatarstan cabinet of ministers to assist in setting up and registering the "Mostatnafta" financial and industrial group (FIG). Observers note that assistance will mainly be needed to solve a problem of key significance for the would-be organization — the future of the Moscow Oil Refinery's controlling shareholdings, an object of current struggle between the Moscow Mayor's Office and the "Rosneft" company.

As Ravil Muratov, Tatarstan deputy premier, said in an interview to your KOMMERSANT-DAILY correspondent, "the edict provides a political solution to the problem. Its economic implementation is to follow." First of all, the founders and the size of the authorized capital need to be specified and the FIG should be registered, and only then, in accordance with the edict, will the Russian Federation Government have to develop measures to provide state support and promote its activities, including the transfer of FIG members' shares, temporarily secured as state property, on trust.

Tatarstan has already clearly defined its stance: "Mostatnafta" should be created on a parity basis. The "Tatneftekhiminvestkholding" joint-stock company will act as its founder from the Republic of Tatarstan's side. The size of the authorized capital will depend on how high Moscow values its property: The same amount will be covered by shares transferred by "Tatneftekhiminvestkholding" on account of its 50-percent share of FIG's authorized capital. The annual volume of Tatar oil deliveries to the Moscow Oil Refinery is expected to be 8 million tonnes (with the refinery's capacity being 11.5 million tonnes per year).

As regards Moscow, the situation is more complicated. Tatarstan expects that, in addition to the oil refinery, the founders from the Moscow side will include enterprises for wholesale ("Mosnefteprodukt") and retail (the Moscow Car Servicing Production Enterprise) trade in oil products, and a company that operates oil pipelines ("Mostransnefteprodukt," currently affiliated with "Transnefteprodukt"). As for the oil refinery, in addition to the Moscow Mayor's Office, its controlling shareholdings (38 percent) are also sought after by the "Rosneft" company. If the controlling shareholdings, after all, are given to Moscow, the city will be able to contribute it to FIG's authorized capital as its share. Mr. Muratov believes that any other solution of this problem would be unfair for Moscow, "since the oil refinery is situated on its territory and works for the Moscow market, supplying it with oil products." In his words, this opinion is also shared by Vice Premier Anatoliy Chubays, who, in principle, supported the proposal that the 38-percent shareholdings of the "Moscow Oil Refinery" joint-stock company, which have been temporarily secured as state property, should be assigned as Moscow municipal property.

"Everything will depend now on how we act," the Tatarstan deputy premier believes. In all probability, Tatarstan will speed up developments. KOMMERSANT-DAILY learned that yesterday Mr. Muratov again discussed the problems of creating the company at his meeting with Russian Federation Vice Premier Oleg Soskovets and Moscow government leaders.

The Tatarstan deputy premier also said that the republic needs 50 million tonnes of oil per year to have all financial and industrial groups created with Tatarstan participation successfully operating, to satisfy its own requirements, and to export oil to the far abroad. Of these, 25 million tonnes will be produced by the "Tatneft" joint-stock company, and the remaining 25 million tonnes are expected to be provided by the financial industrial groups to be created jointly with "Slavneft." The distribution of oil deliveries will be as follows: the financial industrial groups "Ukrtatnafta," "Mostatnafta," and "Volga-oyl," 8 million tonnes each; the Mozyr Oil Refinery and the "Yaroslavsknefteorgsintez" joint-stock company ("Slavneft" members), 8 and 5 million tonnes, respectively; the "Nizhnekamskneftekhim" joint-stock company, 7 million tonnes; and exports to the far abroad, 6 million tonnes.

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Equipment, Cash Shortage Causes Problems in Altay

MM1608130395 Moscow SELSKAYA ZHIZN in Russian 15 Aug 95 p 1

[Report by Ivan Semykin: "Harvest Is Good! How Will You Bring It In?"]

[FBIS Translated Excerpt] Altay Kray — The harvest campaign has begun in Altay Kray. Today the combine harvesters are threshing winter rye and peas. Despite all the difficulties, crop farmers here have not reduced the area sown to crop now. A total of 3.6 million hectares of grain crops alone are to be threshed, while feed and industrial crops account for 1.7 million and 327,000 hectares respectively, technical, and potatoes and vegetables for over 5,000. Moreover, an excellent harvest is ripening here with the exception of five rayons in the Kulunda region that have been hit by drought. The gross grain harvest in the kray as a whole is expected to be over 5 million tonnes. This is 2 million tonnes more than last year. It has been decided to overfulfifil the federal stocks order by a factor of two, and not stint themselves. Farms in Altay Kray have a unique opportunity to process everything that has been cultivated on the spot and — once they have sold their produce — to settle past debts and set their financial position to rights.

But for that to occur, the harvest must be brought in rapidly, without losses. [passage omitted]

There are just over 15,000 combine harvesters left in the kray, 9,500 fewer than 10 years ago. Yet there has been virtually no reduction in the area sown to crop! Each combine harvester, counting the harvesting of oilseed crops, has a workload of 254 hectares, moreover most of the area has to be harvested separately [razdelno]. Thus, this figure needs to be multiplied by two. As for the harvesting equipment's state of readiness, farm leaders prefer not to talk about it. The equipment is old and has been repaired over and over, and machine operators could not even count on money for repairs. Naturally equipment readiness report indicators are low, an excellent harvest will have to be harvested with old junk.

Today it is clear that the harvest campaign will be protracted and there will be losses. [passage omitted]

According to specialists' calculations, the total cost of harvest work in the Altay is estimated at 750-800 billion rubles. The cost of fuel and lubricants accounts for almost two-thirds of that sum. If there is not enough money, the possibility of the kray's bringing in a record grain harvest looks doubtful. That is a pity. After all, the Altay has a great harvest once every five years.

Economic Issues

Efficacy of Latest Investment Plan Doubted

MM1708092195 Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 pp 1, 2

[Report by Vladimir Kucherenko: "If You Sow Rubles, What Will You Reap? From the Russian Federation Government Session. One of the Aims of the Reforms Is To Strengthen the Ruble To Trigger Life-Giving Investments in Production"]

[FBIS Translated Text] "The economy is suffering from a dearth of investments" — this conclusion was drawn yet again at the Russian Federation Government session of 10 August during the discussion of the comprehensive program for stimulating private capital investment in the economy. In 1993-1994 the level of investment in the national economy fell by more than 50 percent, according to Deputy Economy Minister Ya. Yarinson.

What is to be done? It would appear that privatization has made more than 40 million people property owners and shareholders, that thousands of enterprises have been transformed into joint-stock companies, and that private investments should have come our way long ago. But life overturns theory. Following privatization, even 1991, a year when the return on investments per ruble reached the lowest level for the Soviet period (63 kopeks), nowadays seems almost ideal: In 1994 investment efficiency fell to 48 kopeks. This is despite the fact that private investments in production today amount to 80 percent of the total volume of investments (in 1985 this same proportion was invested by the state).

The solution to the riddle is simple: We still do not have really enthusiastic property owners who are prepared to invest money in privatized enterprises, rather than squeeze them dry. Unfortunately the budget does not have the funds for huge investments. The program for the economic development of the North alone, which was discussed on the same day, requires 100 trillion rubles [R] before the year 2000. (This is 50 times more than is allocated to the support private investments in the draft 1996 budget.) It is possible, of course, to invest through printing new money. To avoid plunging the country into monstrous inflation, however, this method has to be backed up by the strictest control over the use of funds. And such controls do not yet exist in our country.

So the first thing which the program for overcoming the crisis proposes to do is to increase the efficiency of investments already made, supporting them with budget money. Let us recall that this year the Ministry of the Economy planned to distribute R1.5 trillion by tender

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among enterprises which managed to elaborate efficient projects and find private investors for them ready to provide at least 60 percent of the funds.

Unfortunately, this year the tender-winners simply did not get the money. On the admission of Ya. Yarinson, it will not be possible to make good this omission even by December. The same goes for preferential credits for conversion. And that means that this small but powerful "accelerator" of private investments in our production is still inactive. True, next year it is planned to appropriate R2 trillion for these purposes....

The second source of investments in industry is the depreciation deductions of the enterprises themselves. But difficulties have also arisen here, according to Ya. Yarinson. Instead of building them up and then spending them on new technology, enterprises are using the deductions for speculation. If they did not, the enterprises would perish — they do not have sufficient working capital. Let us add that the long accumulation of depreciation deductions over months and years would exclude this capital from circulation. Indeed, the duty of seeing that these depreciation accounts remain untouched falls to the Central Bank or, to be more precise, to the commercial bankers under its wing. Are these the right people to put in charge of the fold?

The attempt to introduce a procedure by which enterprises would be able to sell their depreciation deductions to commercial structures and banks has also failed. The latter do not want to operate in this way, since depreciation is "long-term money," whereas our business lives mainly on "short-term" money.

In order to resolve this difficult problem somehow or other, the Ministry of the Economy insists on the introduction of a very strict precept: If you spend depreciation funds for other than their intended purpose, you will not receive conversion or investment credits.

However, still more misfortunes which we have been unable to combat since the very beginning of the reforms come thick and fast. Thus the program envisages the development of a range of measures to prevent the flight of capital abroad and to return home funds that have been taken out of Russia. For this, at the very least, tax pressure must be relaxed. However, it is proving impossible to increase the collectability of taxes, and even the country's highly parsimonious budget gapes with holes. It is proving impossible to decrease imposts, and hence capital continues to fly where they are a little lighter.

Why are businessmen shunning production? Ya. Yarinson complains: Entrepreneurs are being ruined by the huge cost of leasing premises, extortion by functionaries, and increasing prices for municipal services. And there will be no improvement unless the state introduces some order in this sphere. It is essential to moderate the appetites of the natural monopolies — the energy and rail monopolies — which are inflating prices. The program once again provides for this. But all attempts to curb the monopolists hitherto have been unsuccessful.

You read the program and you see before you genuine virgin soil. The creation of a statutory base for mortgaging and leasing property is to be accelerated. An infrastructure is to be developed for shares and securities. The rights of shareholders are to be protected. The lives and property of entrepreneurs are to be protected against criminals. The infrastructure of firms which research the market and offer consultation services is to be developed. Taxation for small and medium business is to be simplified and alleviated. And investment insurance is to be developed — as if the "Russian Finance Corporation," the "State Investments Incorporation," and other corporations occupying luxurious offices in downtown Moscow, which were set up amid pomp and circumstance for insurance purposes, did not already exist.

Everything written down in the program is part of the plan for reforms. This is the fourth year that all this has been stated and restated, written and rewritten. If such things are not in place, there will be no investments. The investment hunger is not yet satisfied.

Ye. Basin, chief of the Ministry of Architecture, Construction, Housing, and Municipal Services, remarked very pertinently: The main thing is not to adopt yet another program and fail to fulfill it. Let us add: Once again it all comes down to the state authorities' showing discipline, order, and competence.

Political Leaders Cited on Ruble Debate

954F3058A Moscow MOSCOW NEWS in English No. 27, 14-20 Jul 95 p 7

[Report by Yelena Kolokoltseva and Vladimir Gurevich: "Hot Debate on the 'Green Corridor' in the Corridors of Power;" first paragraph is MOSCOW NEWS introduction]

[FBIS Transcribed Text] Political futures is the new Russian game. Some are counting on success of the present monetary policy, others on its failure. The "bulls" and the "bears" have laid down their cards in a game of high stakes.

Yegor Gaidar, Russia's Choice faction: The decisions are quite right but rather late. It should have been made two months ago. As for the thresholds of this corridor, I hope the government will be able to defend them.

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Gennady Zyuganov, Communist Party faction: The present financial measures prove one more time that the government is unable to solve any problems.

Alexander Shokhin, former vice premier, PRUA faction: The present monetary policy bears witness to the fact that financial stabilization has already occurred. The Central Bank (CB) is now able to maintain the exchange rate by pure economic means, without resorting to devaluation or revaluation. If the CB manages to keep the course without emission, this will be its greatest achievement.

Mikhail Zadornov, Yabloko faction, chairman of the Duma's Budget Committee: The current measures of the government were no surprise to me. The results of the government's and the CB's monetary policy in May and June made it clear that the former course was no longer efficient. The thresholds put on the dollar are rather confusing: this is not a corridor but a real "avenue."

I fear, however, that the government has overestimated its hard currency reserves.

Tatyana Paramonova, acting chair of the Central Bank: We would not have dared to make this move without sufficient currency reserves. We assumed the obligations and we shall meet them.

Vladimir Panskov, RF Finance Minister: If we prove unable to accomplish the posed task I will resign. Boris Fyodorov, leader of Forward Russia movement: The introduction of the fixed exchange rate in the form of a "currency corridor" suggests that the government is not confident in the recent stabilization and fears a new wave of inflation to come. It has no distinct strategy because until recently high-ranking officials denied the possibility of pegging the rate.

This move of the government and the CB will not encourage stabilization. The structure of our economy and foreign trade suggests that a pegged exchange rate in any form would make the life of exporters worse and would promote increased food and consumer goods imports. Moreover, such a move makes sense only when other measures have proven efficient. However, is there any confidence about that?

During the first quarter of this year, the budget deficit accounted for 3.5 percent of the GNP and in May the figure was already 9 percent. Money supply (M2) increased in May and June by approximately 15 percent per month which was more rapid than earlier this year. Finally, this year, both in the first and the second quarter, prices are growing more rapidly than in the previous year. As for the exchange rate, it also did not change from June to September in 1993 when I was the finance minister. However, nobody, including me, claimed that stabilization had been achieved and that all problems had been solved.

One could think that a government talking about stabilization would like to bring down inflation expectations. However, it will become obvious in the end that it is impossible to cheat the market. Moreover, by imposing this corridor until a fixed date (October 1) the authorities themselves have set a reference point for speculations and leaps of inflation. Nobody has explained what will be done after October 1 to prevent panic in September. If they wanted to impose a corridor they should not have specified the date. In my opinion, the upper threshold of this corridor will be exceeded in early September and one can expect the start of a new currency fever in early October.

Moscow International Oil Club To Replace RUOC

MK1708041895 Moscow SEGODNYA in Russian 16 Aug 95 p 4

[ANI report: "An International Oil Club Is Being Created in Russia"]

[FBIS Translated Text] Russian Prime Minister Viktor Chernomyrdin supported, by his directive of 11 August, the creation of the Moscow International Oil Club [MIOC] in Russia. The MIOC is to be set up on the initiative by the Fuel and Energy Ministry, in coordination with the State Property Committee, the Foreign Ministry, and the Ministry for Foreign Economic Relations. The Russian premier instructed the State Property Committee to provide the MIOC with a separate building in Moscow and the Foreign Ministry to render its assistance to club offices abroad.

The MIOC will be created on the basis of the Russian-U.S. Oil Club (RUOC), whose first meeting was held in mid-October 1994. At present, it includes representatives of 14 of the largest U.S. oil and gas companies, such as Exxon, Amoco, Conoco, Chevron, Willbros, Occidental Petroleum, Mobil, Dresser Industries, etc., and 15 Russian joint-stock companies — "Gazprom," "LUKoil," YUKOS, "Rosneft," "Surgutneftegaz," "Tatneft," "KomiTEK," "Bashneft," and others. The transformation of the RUOC into the MIOC is expected to expand club membership. According to a club member, the activity of the new nongovernmental organization will contribute to the implementation of international agreements in the oil and gas sector and to the improvement of international cooperation. In addition, Russian companies will be able to participate actively in setting world oil policy, which will provide a reliable channel to exert Russian influence on the world fuel and energy complex. At present, the RUOC maintains partnership

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relations with similar specialized international organizations, in particular with the World Economic Forum, the London Financial Club, OPEC, and others.

Ministry Proposes Raising Excise Taxes on 'Gazprom'

MK1708045495 Moscow SEGODNYA in Russian 16 Aug 95 p 2

[ANI Report: "Gazprom Will Have To Loosen Its Purse Strings. Economics Ministry Has Prepared Draft Decree on Raising Excise Rates for Gas"]

[FBIS Translated Text] The Russian Federation Ministry of Economics, together with a number of Russian federal agencies, has prepared a draft government decree on changing the taxation of the Russian Gazprom Joint-Stock Company. It will shortly be submitted to Prime Minister Viktor Chernomyrdin. It is known that approximately two weeks ago, the Economics Ministry and the Finance Ministry leadership stated the necessity of enhancing fiscal pressure on Gazprom. This was followed by the creation of an expert group comprising representatives of various ministries to examine the joint-stock company's financial state and to prepare proposals. According to some sources, the draft decree provides for a rise in the excise rate for gas from 25 percent to 35 percent as of 1 September 1995 while retaining until 1 January 1996 the current export rate of 2 ECU's per tonne. In 1996, the export duty will be abolished.

As for Gazprom's stabilization fund, the ministry suggests that it should be kept, although all privileges regarding its creation should be eliminated. The fund was established on 6 December 1993 under the Russian president's Edict No. 2116 to finance projects in the gas industry. It is being formed due to the difference between hard currency proceeds for the export of gas outside Russia and domestic prices. Under the edict, financial resources passing to the stabilization fund are not subject to taxation.

National Credit, Gazprom Sign Ukrainian Deal

MK1708094895 Moscow KOMMERSANT-DAILY in Russian 17 Aug 95 p 1

["Finance Desk" report: "Agreement Between a Bank and a Gas Concern. 'National Credit' Fights Rumors, and 'Gazprom' Fights Ukrainian Debts"]

[FBIS Translated Text] "Natsionalnyy Kredit" [National Credit] bank officially announced yesterday that an agreement has been concluded between it and the "Gazprom" Russian Joint-Stock Company, under which the bank is being handed the functions of an authorized depositor and payment agent for servicing Ukraine's state-funded loan, worth $1.4 billion. The loan was issued by Ukraine's Finance Ministry in line with an agreement between the Ukrainian Government and the "Gazprom" Joint-Stock Company for paying off Ukraine's debt for deliveries of Russian gas in 1994 and for paying for gas delivered in 1995.

The question of a mechanism for paying for Russian natural gas delivered to Ukraine was discussed for a long time at various levels. As a result, Russia's First Deputy Premier Oleg Soskovets and Ukraine's Acting Premier Yevhen Marchuk agreed on principles of settlement of the Ukrainian debt for deliveries of Russian gas in 1994 and on current payments in 1995. As a result, "Gazprom" promised to continue supplying gas to Ukraine, while the republic made a decision to issue state bonds, the money from which will go to pay off the Ukrainian debt to "Gazprom."

As is well known, the loan is worth $1.4 billion — 280,000 bearer bonds valued at $5,000 each will be issued in twelve batches with various repayment timeframes. The nearest tranche will be repaid on June 4, and the most distant one, 12 years from now — in March 2007. An annual profit of 8.5 percent on the bonds is expected to be paid every three months.

Ukraine's state bonds will be handed over to the Russian Joint-Stock Company by 1 September 1995. It will start selling them. Under the contract between "Gazprom" and "National Credit" bank, the bank will take charge of depositing and accounting for the bonds as well as presenting them for payment. Moreover, "National Credit" has been tasked with receiving from Ukraine's National Bank the main debt to the "Gazprom" Joint-Stock Company and the interest. The financial aspects of the deal between "Gazprom" and the bank are being kept under wraps.

KOMMERSANT-DAILY experts note that, virtually concurrently with the conclusion of the accord with the gas concern, the bank's leadership announced plans to reorganize "National Credit" into an intergovernmental investment deposit-and-clearing bank to service investment projects of both the Russian economy and those of various sectors of the countries of the near abroad. It should be noted that the announcement of the deal with "Gazprom" was heard against the background of rumors of financial troubles at "National Credit." It is not ruled out that by spreading the news of the signing of an accord with the concern, the bank is hoping to soothe the market.

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Minister Predicts 70-Million-Tonne Grain Harvest

LD1708091395 Moscow INTERFAX in English 1223 GMT 13 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 12 (INTERFAX) — Russia's agriculture will yield no more than 70 million tonnes of grain this year, the agriculture minister said on Saturday [12 August].

What explains the relatively low output is not only this summer's drought, "which hit more than 30 regions of the country," but also slow harvesting due to poor funding and hence shortages of machine spares, fuel and lubricants, Aleksandr Nazarchuk told Interfax in an exclusive interview.

"The grain and bread markets (of Russia) will be tense in 1995 and 1996," and some of the grain may have to be imported, Nazarchuk said, although he did not say how much would be bought abroad. He said there would be no centralized government-run import and that all the import would be done by private businesses.

Yet such importers might then charge the state prices that would beat "all world levels," Nazarchuk said.

Last year Russia produced 81.3 million tonnes of grain.

London Center Predicts 31 Million Tonnes of Wheat

MM1708083395 Moscow IZVESTIYA (Financial Section) in Russian 17 Aug 95 p 1

[EKOTASS report: "Grain Market: World Wheat Stocks Could Fall To Unprecedented Low Levels"]

[FBIS Translated Text] Wheat prices in the main world markets had doubled on last year's level by early August. This was stated by an International Wheat Council expert in London. The price rise is due to the decline in the expected grain harvest and to the unprecedented fall in predicted world carryover stocks of wheat in 1995 — the lowest in the past 20 years. The anticipated fall in reserves is promoting a further rise in the price.

This year's Russian wheat harvest has suffered considerably as a result of the severe drought which hit around a quarter of all arable land. The drought has damaged the harvest in land adjoining the Volga, in the southern Urals, and in the central part of Russia. But in the Altay and Western Siberia, the prospects for the wheat harvest are good, the expert noted. Thus, the International Wheat Council is this month maintaining its harvest forecast of 31 million tonnes.

The situation regarding feed grain in Russia is considerably better — since the hot, dry weather has accelerated corn development in central and southern regions. And, although total world feed grain production will be 44 million tonnes down on last year — at 824 million tonnes — Russia will be able to fully meet its requirements for this type of grain.

The drought has led to a fall in the wheat harvest in Kazakhstan, and in the United States some of the harvest has suffered from cold and wet weather. Currently total world what production in 1995-1996 should be 535 million tonnes, which is down on initial forecasts.

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International Affairs

U.S. Team Reminded of Financial Need for Chernobyl

WS1708090195 Kiev UT-1 Television Network in Ukrainian 1800 GMT 16 Aug 95

[Report by Valeriy Makarenko]

[FBIS Translated Text] It is worth pointing out that financial assistance promised back in July by the G-7 group for closing down the Chernobyl nuclear power plant was never received. Meanwhile, respectable guests from the West continue their visits to the plant.

[Makarenko] On 16 August, a U.S. congressional delegation led by John Myers, chairman of the House Energy and Water Development Subcommittee, visited the power plant. While talking to nuclear plant manager Serhiy Parashyn, the congressmen asked questions about the power plant's operation, the period of resuming energy production after the 1986 accident, as well as about plans to close down the facility.

The guests visited the control room of the operating third power unit. The first unit is currently undergoing scheduled maintenance, while, as we know, the second unit has been out of operation for three years now. Delegation members were told again that in the event the West fails to meet its commitments of financial support, power engineers will have no other choice than continuing the power plant's operation until the end of the plant's designed lifespan.

[Begin Myers recording in English, with superimposed translation into Ukrainian] All the world shared with Ukraine the pain of the Chernobyl tragedy, which actually happened nine years ago and there is evidence of a striving to prevent such tragedies in the future.

We are very grateful to the power plant's management for both the information they provided and [words indistinct]. [end recording]

[Makarenko] U.S. Ambassador to Ukraine William Glenn Miller was among the members of the delegation.

Deputy Speaker Meets Polish Counterpart in Kiev

LD1608192595 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 16 Aug 95

[FBIS Translated Text] At a meeting on 16 August between Oleksandr Tkachenko, first deputy chairman of the Supreme Council of Ukraine; and Polish Sejm Vice Marshal Aleksander Malachowski, who is in Ukraine on an unofficial three-day visit, a wide range of Ukrainian-Polish bilateral and international cooperation issues were discussed. The parties declared that there are many similar problems facing Ukraine and Poland in the economic reform process, and there is a need to exchange experiences in finding a solution to these problems.

On the subject of political cooperation, the parties stressed that it is important to enliven interparliamentary and other relations and step up the activity of the intergovernmental consultative committee. The committee was set up by a decision of the Ukrainian and Polish presidents.

Aleksander Malachowski added that Poland fully backs Ukraine in its desire to gain the earliest possible admission to the Council of Europe and will provide it with effective support.

Moscow, Kiev, Minsk Regions Sign Cooperation Accord

LD1608205195 Moscow ITAR-TASS World Service in Russian 1321 GMT 16 Aug 95

[By UKRINFORM correspondent Raisa Stetsyura for TASS]

[FBIS Translated Text] Kiev, 16 Aug (ITAR-TASS) — The heads of administration of Moscow, Kiev, and Minsk regions signed an "Agreement on economic cooperation" between the three capital regions in Kiev today.

The document, which is valid until the year 2000, provides for an expansion of exchange and interaction in the sphere of commercial ties, science and technology, and the social and cultural sphere.

Specific areas of cooperation include mutual assistance in the elimination of the consequences of the Chernobyl disaster. An international Chernobyl nuclear security center is to be set up for this purpose.

In addition, there are plans to establish an association of market relations to help the three Slavic states to enter the European and world market and solve a payment crisis in the CIS.

Foreign Ministry Opens Mission in Copenhagen

WS1608125595 Kiev INTELNEWS in English 0220 GMT 16 Aug 95

[FBIS Transcribed Text] Kiev, Aug. 15 — Kostyantyn Masyk, Ukrainian Ambassador to the Scandinavian states, recently visited Denmark to negotiate with Danish Foreign Minister Niels Helveg Petersen, the Foreign Ministry reported Tuesday [15 August].

Masyk presented an official letter to Petersen from Ukrainian Foreign Minister Hennadiy Udovenko on

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opening a Ukrainian diplomatic representative office in Copenhagen.

The negotiations led to the Ukrainian diplomatic mission in Denmark beginning operations from Aug. 10. Oleksiy Rybak, an embassy adviser, was appointed the head of the mission.

Petersen said the Danish government supported Ukraine's efforts to enter the European Council. "Northern European countries consider Ukraine an extremely important country in Europe," Petersen said.

The sides discussed the situation in the former Yugoslavia and supported the statement made at the recent London conference on the Balkan conflict on restoring order in the region.

On behalf of the Ukrainian government, Masyk thanked the Danish government for humanitarian aid to help alleviate the Kharkov sewage disaster in June.

National Affairs

Kuchma Postpones Visit to Sevastopol

LD1608211995 Moscow INTERFAX in English 2016 GMT 16 Aug 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Aug 16 (INTERFAX-Ukraine) — Ukrainian President Leonid Kuchma may visit Sevastopol somewhat later, but not on Wednesday [16 August] as reported before, city administration sources told INTERFAX. Nor do they rule out that the Ukrainian leader may not come to Sevastopol in the near term.

Earlier reports said Kuchma, who is now on holiday in the Crimea, was scheduled to visit the city on Wednesday.

Sevastopol, the main stronghold of the Black Sea Fleet, remains a center of controversy between Moscow and Kiev. The unresolved issue caused Russian President Boris Yeltsin to delay his own visit to Kiev.

Deputy Prime Minister Reviews Situation in Crimea

WS1608120895 Kiev INTELNEWS in English 0220 GMT 16 Aug 95

[By Oleksandr Pilat: "Special to IntelNews"]

[FBIS Transcribed Text] Simferopol, Aug 15 — National Security and Emergency Situations Deputy Prime Minister Vasyl Durdynets said Tuesday [15 August] that integration of criminal groups into political power structures in Crimea will not be allowed to continue.

Durdynets was in Crimea by the Cabinet of Ministers' direction to evaluate execution of its order to solve political, economic and ethnic problems on the peninsula. Durdynets held meetings with Crimean Prime Minister Anatoliy Franchuk and other officials.

Eradicating the organized crime situation received a great deal of attention in the talks, Durdynets said.

It was noted that law enforcement bodies on the peninsula have tracked more than 2,500 individuals involved in 200 various criminal groups operating in Crimea.

Statistics reveal that of 293 crimes attributed to organized groups, only five have been solved.

Durdynets noted that the Ukrainian government allocated KBV1 trillion, or about US$5.7 million, for fighting crime in Crimea.

Any future actions regarding settlement of Crimea's problems must be joint programs between the Ukrainian and Crimean governments, Durdynets said.

Durdynets said that President Leonid Kuchma and Prime Minister Yevheniy Marchuk strongly support the Cabinet's program to smooth the various Crimean difficulties.

The Cabinet approved two programs restoring the rights of migrant peoples, Durdynets said. The first covers emergency measures. The second specifically deals with the return and settlement of Crimean Tatars. Durdynets noted that the Cabinet has allocated KBV2 trillion for Tatar repatriation.

The problems in Crimea are unique to the region and thus require special solutions, Durdynets said. This is particularly true in the political arena.

All social-political organizations in Ukraine and Crimea must be registered in compliance with legislation.

Crimean Tatar leaders said that this restriction should not apply to their Mejlis national assembly organization. Mejlis leaders said they do not consider Mejlis a political organization. Mejlis is a people's parliament, leaders said, and they refuse to register it as a political organization.

Durdynets said authorities intend to re-register all parties and social movements because existing Crimean laws in this area have been abolished. The Ukrainian Justice Ministry is charged with revising the organization of Crimea's registration structures, he said.

The general Crimean power vacuum and the sluggishness of realizing the region's autonomy in Ukraine's legal structure is a significant problem that needs attention, Durdynets said.

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Recent 'Alignment' of Political Forces Viewed

AU1608122095 Kiev MOLOD UKRAYINY in Ukrainian 10 Aug 95 p 2

[Article by Diana Stasyuk of the Heneza Political Studies Center: "The Left Wing of the Ukrainian Political Spectrum Is Beginning To Give Way"]

[FBIS Translated Text] Following the adoption of the Law on Power and of the Constitutional Accord, a process started in Ukraine that has divided political forces into two groups. The first group unites reformers that include some of the right-wing parties (mainly moderate ones, such as Rukh [Ukraine's People's Movement for Perestroyka] and the LPU [Ukraine's Liberal Party]), the center, and a small group of left-wingers. The second group is made up of opponents of the presidential course toward reform — a larger part of the left-wing Ukrainian political spectrum. Some of the right-wing political parties may also be added to the second group: the Ukrainian Republican Party [URP], the Ukrainian Socialist National Party [SNPU], the Ukrainian Nationalist Assembly [UNA], and the Ukrainian Nationalist Congress [KUN], but they are rather against the president and the pro-Russian moods within his team than against the course of reforms.

Such an alignment of political forces has led to internal re-orientation and also to political parties (especially on the left) losing their members. The triumvirate of the Agrarians, Socialists, and Communists has experienced certain changes, and not to their advantage. To begin with, it is a split of the agrarian faction into two almost equal parts of which the new association "Agrarians for Reforms" is an ideological copy of the "Reform" faction that only differs from the "mother" faction by its moderate "leftistness." In addition to that, significant ideological differences have arisen, in connection with the signing of the Constitutional Accord, within the ranks of the Ukrainian Socialist Party [SPU], since the accord was supported by Oleksandr Moroz, who is chairman of the party's political council, and by Serhiy Kiyashko, first secretary of the political executive committee. To this, the Kiev SPU committee reacted with a proposal seeking the resignation of the political executive committee and its first secretary. Petro Kupin, chairman of the Luhansk Oblast Committee of Ukraine's Communist Party [KPU] and presently chairman of the oblast state administration, also launched an unexpected demarche by announcing his departure from the party. Such an action by P. Kupin can in no way be associated with the decision taken by the Luhansk organization of the Democratic Revival of Ukraine Party [PDVU], whose position is shared by the URP, the LPU, the Ukraine's People's Rukh, the KUN, and "New Ukraine," to collect signatures on no confidence for the Oblast Council chairman, who personifies "the red communist regime."

In contrast to the left wing of Ukraine's central and eastern regions, the Galician SPU and KPU structures not only continue moving in a direction slightly different from the main course of the central cells of their parties, but also show "liking" for the presidential course. They don't need to beware of their own members, since the winds of reform blow in the same direction in which the Lvov Socialists and Communists march. That is why open demarches may only be resorted to regarding opposition political forces that constantly obstruct the activity of the left-wing forces in Galicia and, in particular, in Lvov Oblast.

Taking into account recent personnel reshuffling, however, certain differences that exist between the left-wingers of Ukrainian central and eastern regions, on the one hand, and the left-wing forces in Galicia, on the other, do not weaken their striving for consolidation, since it is only in this way that the split within the left-wing bloc will not lead to a serious split within the ranks of the Communists and Socialists. The initial defeat of the left-wing factions in the parliament when the Constitutional Accord was adopted and their subsequent losses testify to the strength of Leonid Kuchma's position on the eve of preparing for a new stage of reform steps and show that he is able to stand up against the opposition. The timing of the beginning of a new Ukrainian Reform for the coming fall and also the obvious support given to the president by the majority of political factions have dealt a blow upon the left-wing forces of the Ukrainian political spectrum. This is graphically exemplified by Petro Kupin's pullout from the KPU ranks and his appointment, which issued from the president, to the post of chairman of the Oblast State Administration, an appointment that is more important than that of head of the Luhansk KPU structure. All the more so, since, provided that the reform renaissance extricates Ukraine from its present crisis, the left-wing forces will be discredited and their downfall from the center of political life to its periphery will be inevitable.

If one considers a different scenario of fall events, it goes without saying that it will be a time for the left-wing forces to seek retribution, especially if reforms fail to produce good results. In that case, the left-wing forces will put the blame for the failure upon the president and the government and will propose that the Ukrainian citizens embark upon the road toward collectivization, social equality, and brotherhood. For this, it is worth their while today to stake their all and, without changing their orientations or preferences, continue their previous course and try to get even in the fall. The present

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political instability of individual members, however, may, in the future, cost the left-wingers dearly.

Strength, Makeup of Armed Forces Detailed

WS1608130295 Kiev INTELNEWS in English 0220 GMT 16 Aug 95

[FBIS Transcribed Text] Kiev, Aug 14 — The Ukrainian armed forces is currently more than 400,000 strong, according to Gen. Ivan Khomyak, chief of the military's Human Resources Department.

Thirty percent of the Ukrainian military are officers, Khomyak, flanked by Col. Mykola Neshchadym, deputy chief of military training, said at a Monday [14 August] Defense Ministry briefing.

A growing number of Ukraine's soldiers are graduates of military colleges who have signed contracts for service. While 10 percent of today's armed forces fall into this category, the figure is projected to reach as high as 80 percent next year, according to the officials.

By age, 19 percent of the personnel are 25 years or younger; 25 percent from 26 to 30; 22 percent, 31 to 40; and 19 percent, 41 to 45.

Ethnic Ukrainians constitute a greater proportion of the armed forces than at any time since independence. Fifty-nine percent of the military is currently Ukrainian, while 37 percent are ethnic Russians, versus 1992 figures which showed Ukrainians at 45 percent and Russians at 48 percent.

At this point, 63 percent of regiment commanders and 72 percent of division commanders are Ukrainians.

This tendency isn't being stimulated artificially, Khomyak said, but is the reflection of migration processes within the countries of the former Soviet Union.

Khomyak added that Ukraine's armed forces are being created not on a nationalistic basis but by "equal opportunities for all nationalities."

Five thousand lieutenants were being graduated from Ukrainian higher military schools this year. In the near future the number of students and military schools will be reduced. An average 3.5 candidates competed for each place in these academies. The state spends from US$400 to US$500 per month for every student of higher military institution.

Some twenty percent of subjects are taught in Ukrainian. The fluctuation in the supply of teachers is rather high in particular among the teachers with scientific degrees. Sixty percent of the teachers have served at least three years, the officials said.

Zaporizhzhya Power Units Said 'Best In World'

AU1608134695 Kiev HOLOS UKRAYINY in Ukrainian 12 Aug 95 p 4

[Unattributed report from Zaporizhzhya: "Zaporizhzhya AES Power Units Are the Best in the World"]

[FBIS Translated Text] The five power units at the Zaporizhzhya Atomic Electric Power Plant [AES] have operated for a total of 40 years. Over the said period of time, there hasn't been a single event at them that would have an adverse effect on the environment. This was stated by the plant's leaders at a news conference in Zaporizhzhya and at a meeting of the press club "Market Reforms in Ukraine" that was held in Dnipropetrovsk.

Mykola Verkhovetskyy, head of the "Zaporizhzhya AES" Production Association department in charge of radiation safety, stated that, in terms of the level of radiation safety, all power units at the Zaporizhzhya AES are among the best in the world and that they are better than U.S. ones.

Serhiy Teplov, deputy general director for economic issues, said that the plant's sixth power unit is in an ideal state.

Economic Issues

Bank Ready For Reform; Currency Fall Explained

WS1708082395 Lvov INFOBANK in English 0710 GMT 17 Aug 95

[From the "News Service"]

[FBIS Transcribed Text] Kiev — The National Bank is ready for a monetary reform, though the terms and the exchange rates for a new currency, the hryvnya, are yet to be defined, said Volodymyr Stelmakh, Deputy Chairman of the National Bank, at the August 16 briefing held by the Presidential Administration. Despite a sharp fall of the karbovanets during the recent week, the Bank keeps the financial situation in the country under control, Mr. Stelmakh said.

The dollar surge was caused mostly by a ban on retail transactions using foreign currencies, explained Volodymyr Kuznetsov, the Economic Department Chief with the Presidential Administration. As owners withdrew hard currency from the market, the demand for it has increased. The introduction of taxes on petroleum products and the recent price increase on energy sources were quoted as additional reasons.

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Expert Deems Karbovanet's Nosedive 'Pre-Planned'

WS1608115095 Lvov INFOBANK in English 0745 GMT 16 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] The nosedive in the rate of the karbovanets which occurred last week was artificial and pre-planned, said Hlib Vyshlynskyy, a leading financial expert with the FINANSOVA UKRAYINA newspaper, providing his version of panic on the Ukrainian currency markets. To prove his opinion, Mr. Vyshlynskyy notes that the situation on the interbank credit market had been calm and interest rates had not changed significantly.

According to the analyst, last week the first stage of the long-promised monetary reform was implemented, aimed at the confiscation of the karbovanets. In the immediate future, the exchange rate will be boosted, and the supply of new currency — the hryvnya — will at first be limited. Due to the recently introduced ban on foreign exchange transactions, the demand for the hryvnya will be extremely high, and the National Bank will benefit from buying foreign exchange at lower rates, resulting from the difference between the current karbovanets and the future hryvnya exchange rates. In addition, the National Bank will have the opportunity to buy back hard currency on the market and to later use it to help stabilize the hryvnya. Then it will be possible for the government to obtain additional funds from the IMF as formally the reform will not be considered confiscatory.

Commenting on the events which led to the fall of the karbovanets, FINANSOVA UKRAYINA quotes the July National Bank's credit emission of about KBV 20 trillion issued to state-owned enterprises in order to make them capable to pay wages and vacation allowances to their employees. In comparison, the total amount agreed with the IMF for the third quarter is KBV 25 trillion. At the same time, top governmental officials, including President Kuchma himself, started talking in the media about the coming monetary reform. At the same time banks began lowering the rate of the karbovanets, which was influenced by a new monetary emission. In the newspaper's opinion, the National Bank was able to stop the panic but did not move in time.

While predicting the situation on Ukraine's hard currency market, Hlib Vyshlynskyy stated that now even large-scale interventions on the part of the National Bank on all markets for the maintenance of the rate of the karbovanets will not result in the stabilization of Ukrainian currency sooner than at the beginning of next week.

Coal Miners' Pay Dispute Reportedly Settled

LD1608181495 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 16 Aug 95

[FBIS Translated Text] The government and a deputation of miners from every Ukrainian region met in Kiev today. Attended by Anatoliy Kinakh, deputy prime minister [in charge of industrial policy], Coal Industry Minister Viktor Poltavets, heads of a number of related industries, and trade union leaders, a lively discussion at the working meeting centered on the coal industry's pressing matters and ways out of the crisis.

It is the orientation toward our own energy resources alone that can facilitate economic stabilization and remove dependence on external suppliers, Kinakh said. The main question has now been answered: Miners will be paid their wages, which in future will be done as a matter of priority.

The meeting also reaffirmed support for Ukrainian coal producers rather than fuel deliveries from abroad. A government resolution allocated funds to the renovation of a number of mines and the purchase of modern equipment. Kinakh assured the miners that he would personally ensure that their demands were met.

Further on Bail Out of Coal Industry

WS1708095395 Kiev INTELNEWS in English 0013 GMT 17 Aug 95

["Special to INTELNEWS" by Serhiy Sokolovskiy]

[FBIS Transcribed Text] Kiev, Aug. 16 — The Ukrainian government intends to bail out its ailing coal industry with massive borrowing and debt write-offs.

Anatoliy Kinakh, deputy prime minister for industry, reassured miners, many of whom are owed three months back pay, on Wednesday that wage payments will be the first order of priority in the package, which includes KBV21 trillion in government borrowing and KBV10 trillion to KBV12 trillion in National Bank of Ukraine credits to be secured by auction.

Kinakh and Coal Industry Minister Viktor Poltavets also told industry representatives that the Finance Ministry will write off KBV4 trillion in industry debts by Aug. 18.

On Aug. 9, the Cabinet of Ministers also ordered a credit emission of nearly KBV4 trillion to the industry and ordered the heads of oblast administrations to report to miners on the schedule of debt liquidation by Aug. 21.

While the Aug. 9 Cabinet action also mentioned the allocation of KBV13 trillion for capital spending, Poltavets said that KBV13.6 trillion will also be allocated in

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this year's revised budget for equipment renovation and some KBV6 trillion will be allocated for the closure of unpromising mines.

Kinakh, commenting on the government borrowing, said the Industry Ministry was forced to borrow the KBV21 trillion from PromInvestBank at 70 percent annual interest.

"These are emergency measures," Kinakh said. "But even today we begin to work for the future. An industry development program is being worked out, a state industry insurance fund will be created, and we are working on proposals for increasing the prestige of the mining profession."

"It will cancel payment problems," Industry Deputy Minister Vikentiy Kulichenko said. "PromInvestBank has already started to study the financial situation of enterprises whose property will be mortgaged" to secure the loan.

Poltavets criticized coal industry leaders for contributing to the crisis situation, noting that half of the industry's KBV34 trillion debt is internal and that Ukraine's coal mines have so far extracted 8.5 million tons less coal this year than in 1994.

"We take care about debts. but this is the time to earn money," he told miners. "If we do not get to work, nobody will listen to us."

Official Projects Lvov Oil, Gas Production Figures

WS1708090495 Lvov INFOBANK in English 0710 GMT 17 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] Lvov — Some 72 thousand tons of oil and 312 million cubic meters of natural gas were produced in the Lvov Oblast during the first half of 1995, said Bohdan Pelypchak, Chief Specialist with the Fuel and Energy Committee of the Lvov Oblast Administration. The production figures for the total year are projected at 143 thousand tonnes for oil and 650 million cubic meters for gas, compared with the last-year results of 149.1 thousand tonness and 601 million cubic meters, respectively. The development of the Letnyanske gas field will contribute to a 10 percent increase in gas production.

Commentary Warns Against Reliance on U.S. Credits

AU1608134895 Kiev MOLOD UKRAYINY in Ukrainian 11 Aug 95 p 1

[Commentary by Volodymyr Oliynyk: "What Awaits the New Credit?"]

[FBIS Translated Text] **On 3 August, the U.S. International Development Agency officially informed Ukraine's Ministry of Agriculture and the mass media about the conclusion of a guarantee agreement on granting the Ukrainian agriculture a credit worth $175 million for 18 months to enable Ukrainian importers to procure U.S. agricultural goods. One detail leaves room for apprehension. What awaits this new U.S. credit? If its fate is going to be the same as before, then maybe it would be better not to make use of it at all....**

The problem of investments in the Ukrainian economy, particularly in agriculture, is a matter of concern not only for the government or for direct producers of bread and meat, but also for experts who have arrived at a rather disheartening conclusion: Despite the four years of idle talk and the emergence of the first tens of thousands of farmers, Ukraine's agriculture still remains a rudiment of the former administrative planned economy.

As was pointed out by Borys Sobolyev, deputy minister of finance, at a news conference on the granting of the new U.S. credit, over the period between 1992 and 1995, Ukraine's agriculture received, directly or through guarantees, almost $900 million, of which not a single dollar has returned to the guarantor of the credit — the state. Accordingly, all this money has been a burden for Ukraine's budget, which is far from exuberant anyway. Will something change now that everybody, from the Ukrainian president to the apparatus of the Cabinet of Ministers, speaks about new approaches to economic activity? One would like to believe so. In accordance with information provided by Valentyn Poshyvaylo, deputy minister of economy, the U.S. credit is expected to be divided among those who will use it for good purposes and will guarantee the return. This applies both to collective and state farms and to individual farmers who need foreign currency to purchase means of plant protection, petroleum products, and of course, agricultural machinery and equipment. It is not yet known whether they will be Ukrainian or U.S. made. According to that same Poshyvaylo, 14 organizations with various forms of ownership have already submitted requests for corresponding sums from that credit. Borys Sobolyev added that, in satisfying requests for obtaining a part of the U.S. credit, the government will proceed

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from considerations of economic expediency — to put it differently, from the need to raise the efficiency of utilizing land and financial possibilities — the ability of the debtor to repay the debt and interest for its utilization.

This is a minor concern for the U.S. International Development Agency. It is the last thing the Americans would want — to supervise the mechanism of dividing the credit and repaying it! It is up to the [Ukrainian] government. Like, for example, Ukraine's Cabinet of Ministers recently had to work out a mechanism for repaying the credit granted by the U.S. Commodity and Credits Corporation to Ukraine's Agriculture Ministry for purchasing soybean meal in the United States in 1994. At present, the Ministry of Finance is opening a special account for accumulating funds to redeem the $20 million credit.

Generally speaking, as officials at the U.S. Trade Mission in Ukraine believe, how and where to use the credit lines is a matter for the Ukrainians. It is worth recalling that the history of cooperation between Ukraine and the United States may be traced back to the times of Gorbachev's perestroyka, when Ukraine was the first among the former Soviet republics to study the experience of U.S. farmers. Ukraine also ventured to export, through its small cooperative business sector, tiny quantities of Ukrainian bread to the United States. That was all, however, except for the exchange of farmers' delegations that worked, in turn, in the United States and in Ukraine.

Until now, Ukraine, like other CIS countries, has continued to purchase grain produced by farmers in the U.S. mid-west. Even though it is perfectly well understood in the United States that this is not a matter of vital need for Ukraine, we are willingly met half-way for purely pragmatic considerations of national expedience. The U.S. Government never forgets for a moment that it is its duty to assist the small- and medium-size farms that supply their grain to Ukraine. That is why in such cases, while using U.S. credits, Ukraine actually satisfies U.S. economic interests in accordance with the principle: "Assist the owner, since he is the foundation of society." Unfortunately it is not our owner who gets this assistance.

The fate of this most recent U.S. credit will show how long this practice is going to last. It is already clear to everybody that our agriculture may not only provide the state with bread and butter, but is also capable of increasing export deliveries, from cooking oil and sugar to meat and grain.

In this context, a piece of wisdom: We should not crave for U.S. credits, even though they may be quite cheap, but rather use the U.S. experience in managing agricultural production.

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Belarus

Talks With U.S. on Missile Bases, Fuel Detailed

WS1708082595 Minsk BELAPAN in English 0706 GMT 17 Aug 95

[FBIS Transcribed Text] The problems of liquidation of liquid missile fuel and stationary bases for mobile "Topol" (SS-25) stations were the key problems during the negotiations between the Belarusian and the American delegation. The negotiations were conducted last week under the scope of the Agreement on liquidation of strategic offensive arms signed in June this year. It was the seventh Agreement signed by the U.S. Department of Defence and the Ministry of Defence of Belarus. Speaking to a BELAPAN correspondent the members of the Belarusian delegation estimated that the concrete results of the work were not expected since at the moment the parties coordinate the initial data for creating the task for the work to be conducted on this problem. To conduct the work under the scope of the Nunn-Lugar Law the American government invests 8 million U.S. dollars.

As for the liquidation of the missile fuel situated on the Belarusian territory and possessed by Belarus there are two ways to resolve the problem. The first is to burn it, the second is to utilise it by processing one of the components, in particular, of the oxidant into the nitric acid or into the mineral fertilizer. During the negotiations the Belarusian party made a range of demands concerning the problems of environmental security of the technologies of liquidation of the fuel and its utilisation. These demands will be announced to the U.S. Congress.

Belarusian experts estimate that implementation of the Agreement between the U.S. Department of Defence and the Ministry of Defence of Belarus on liquidation of liquid fuel may be provided by sending American technologies on burning fuel and putting in a tender for a contract to utilise fuel. The Belarusian party hopes that Belarusian enterprises may also send a bid to participate in the tender though Belarusian enterprises may only hope that they be a sub-contractor during the works.

The negotiations were more successful on the problem of dismantlement of the stationary bases for the "Topol" mobile stations. The parties agreed on the way of dismantlement — mechanic way was chosen for it is the only acceptable way for the Belarusian party. The American experts showed the equipment they possess on the video. According to the Belarusian competent departments there is no equipment of the sort on the territory of the CIS. Moreover, under the conditions of the Agreement the equipment must stay in Belarus after the work is done. The Americans promise to teach the Belarusian experts how to use it. A positive estimation of the Belarusian-American negotiations should be given to the fact that the Belarusian party managed to include a statement concerning the secondary usage of the raw materials in the technical task. According to the estimations of both American and Belarusian parties, the conditions of the tender promise to be very strict.

As for the terms of implementation of the project, the Americans are ready to start work in the middle of the next year. The Agreement between the U.S. Department of Defence and the Belarusian Ministry of Defence deals with the liquidation of the infrastructure connected with the strategic offensive arms on the territory of Belarus. However, this problem was not discussed during the negotiations since at the moment the problem is being thoroughly studied.

Talks on Environmental Project With U.S. Viewed

WS1708082795 Minsk BELAPAN in English 0706 GMT 17 Aug 95

[FBIS Transcribed Text] A sitting with the participation of the representatives of some Belarusian ministries and the American company "ARTHUR D. LITTLE" on the implementation of the Belarusian-American agreement concerning restoration of the environment on the former nuclear military bases on the territory of Belarus took place in the Ministry of Natural Resources and Environmental Protection. "ARTHUR D. LITTLE" is the general contractor for completing the work on the check-up of the ecological situation in the district around the town of Pastavy. The work was started and has been conducted by other American companies for the last two years. Moreover, the company will train Belarusian experts on the practical methods of the reconstruction work on these territories.

According to information received by BELAPAN in the National Agency on Control and Inspection at the Ministry of Defence of Belarus, the American party agreed upon the fact that "ARTHUR D. LITTLE", in addition to the research work will also recultivate the territory. It is possible that the American party will provide the equipment to recultivate the territory under the scope of the implementation of the agreement. The terms are not set yet but it is known for sure that American experts will start training the Belarusian junior technical staff in Minsk on August 21.

The American party finances the project under the scope of the Nunn-Lugar Law. The total amount of investment is 25 million U.S. dollars. 11 million U.S. dollars is already spent. Under the scope of the Agreement on Environment the American government provided equipment for the chemical and analytical laboratory

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working now in the National Scientific and Technical Centre "Ekamir" which "ARTHUR D. LITTLE" plans to enlist at the final stage of the check-up of the ecological situation on the territory around Pastavy where nuclear bases were situated.

Deputy Minister Discusses Foreign Policy Concept

WS1608120095 Minsk ZVYAZDA in Belarusian 10 Aug 95 p 2

[Interview with First Deputy Foreign Minister Valery Tsapkala by unidentified correspondent; place and date not given: "A Concept of Foreign Policy Has Been Developed in Belarus"]

[FBIS Translated Text] [Correspondent] Mr. Tsapkala, discussions on the utility of adapting a foreign policy concept have been held in the Republic for a long time. How is the process of drafting the concept going?

[Tsapkala] The concept of Belarusian foreign policy has already been created, but it has not been published so far. The concept has determined goals for the state's foreign policy, as well as the methods with which these goals are going to be accomplished. As for appropriate documents, work on this issue has been conducted for a long time. Earlier, there were around five documents which to some degree could be referred to as concepts of Belarusian foreign policy. The problem was: Which of these documents should be given priority. Those documents were not different concepts of foreign policy. Those were simply different editions of the same concept, which varied only in the details.

The problem lies in the fact that apart from the document's presentation by the Ministry of Foreign Affairs, this concept should be approved by the Supreme Soviet. We have repeatedly submitted for the Supreme Soviet's consideration various versions of a foreign policy concept. However, a comprehensive document as such has never been drafted. Currently the new project is ready. All we can do now is wait until the Supreme Soviet begins its work and then present the concept for consideration and approval by the supreme legislative power.

[Correspondent] In one of your interviews you mentioned that improving good-neighborly relations with neighboring countries is the primary direction of Belarusian foreign policy. Is this statement not but a mere declaration?

[Tsapkala] One of the philosophers has said that it is easier to maintain a friendly relationship with a distant neighbor than with a close one. With a close neighbor one has contacts daily, and all complications lie in that fact. One could think that our relations with Russia are very good. However, Russia and Belarus have their own national interests, which do not necessarily coincide always and in all aspects.

As for the relations with our western neighbor, Poland, we have signed an agreement on friendship, cooperation and good-neighborly relations with that country. While speaking about the agreement on state borders, we expect that the document signed by the Soviet Union is still valid, and Belarus has no intention to review it.

We also have to mention our southern neighbor Ukraine, which traditionally is close to us, both ethnically and in economic terms. With regard to trade turnover, Ukraine comes second.

The fifth state on that list is another western neighbor — Lithuania, with which Belarus has good relations.

[Correspondent] Recently, Lithuanian Prime Minister Adolfas Slezevicius visited Belarus. His visit was planned as early as April; however, for some reason it was suddenly postponed. The Lithuanian Parliament was also going to discuss the situation in Belarus at its session. The Lithuanian side did not support the Belarusian initiative for visa-free border crossing for citizens of both countries. Are there any hidden implications?

[Tsapkala] As for Lithuanian Prime Minister Slezevicius's visit, there was no political reason behind its postponement. Our republics' leaders maintain regular telephone contacts. They have good personal relations. Therefore, looking for some political reasons for the visit's postponement amounts to wasting one's time.

As for the fact that Lithuania was going to discuss the Belarusian internal situation, I believe that the majority of Lithuanian legislators understand that this issue is exclusively Belarus's internal affair. Therefore, this issue was not discussed. At this point, I would like to stress that we also have many radically oriented politicians.

As for visa-free border crossing, the fact is that the Baltic states decided at the beginning that their relations with the CIS countries will develop on the basis of a border crossing procedure, which involves possession of visas. Lithuania, Latvia, and Estonia have signed a trilateral treaty concerning this issue.

[Correspondent] What is your stance on the fact that our closest neighbors are officially showing interest in joining NATO? Will this fact have an impact on changing the concept of the Republic's national security system?

[Tsapkala] Naturally it will. The current system of national security should be oriented to the largest

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degree toward a pan-European or a world system of collective security. Primarily, those are the Organization for Security and Cooperation in Europe and the United Nations.

In my opinion, currently there is no reason whatsoever for NATO's existence. As NATO's generals say themselves, this organization was created to deter aggression on the part of the Soviet Union and the Warsaw Pact. In addition, we have to point out that the Warsaw Pact was created after NATO. Therefore, claims to the effect that the existence of this organization in the current situation is fully justified are in my opinion erroneous. However, even if there are reasons for which NATO's existence would be currently justified, why then is its leadership tending to expand the alliance to the East? Naturally, the matter of Poland, Slovakia, the Czech Republic, or Romania joining NATO is their own affair. They have the right to independently choose their friends, allies, and geopolitical patrons. However, in this case the question emerges: Why have we signed the Partnership for Peace program? In our opinion, this program envisages the resolution of all the issues of European security on a mutually acceptable basis, proceeding from the interests of all the states which are NATO's partners. Otherwise, what kind of partnership is it if a decision is made not only without seeking a partner's advice, but even contrary to a partner's opinion?

[Correspondent] What is the meaning of the words "neutrality of Belarus"? The CIS countries' collective security, "Partnership for Peace," bilateral agreements on military cooperation with Russia and other countries — are these the directions which the state — which has declared its neutrality — should follow?

[Tsapkala] Currently, there is a lot of talk about the necessity to review that version of the concept of neutrality which existed in the period of opposition between the two military-political blocs and socioeconomic systems. In those days, it was understood that neutrality meant existence outside any kind of blocs and the absence of any national [as published] bodies which make decisions that are compulsory for an independent state. For instance, so far Switzerland has not become a member of the United Nations or any other European or international system of collective security. Currently, we can regard Switzerland as the only neutral state. As for Sweden, this state's parliament issued a declaration a year ago in which the word "neutrality" was not used a single time. This pattern was later followed by Finland and Austria. Those states' admission to the EU means that the classic concept of neutrality does not exist any longer. The European Community Commission exists within the structure of the EU and is regarded as the EU's government. This means that all the decisions made by the commission are obligatory for all EU member-states. Speaking about neutrality in this case is rather a relative matter.

Belarus's participation in the system of collective security could be considered to some degree as departure from the principles of neutrality; however, in reality the situation is different. The collective security system signed in Tashkent envisages a purely consultative mechanism for making decisions. This means that if a military threat emerges against any of the agreement's signatories, representatives of these states get together and make decisions on how to deter the aggression. If, for instance, Afghanistan launches an attack on the territory of Tajikistan, then we, if we could be regarded as a participant of the military-political bloc, would have to automatically stand for the protection of Tajikistan's sovereignty. However, Belarus does not do it. Proceeding from our domestic regulations, we cannot send armed forces beyond the Republic of Belarus's borders if the Supreme Soviet gives no permission to do so. In addition, Belarus has the right to coordinate any material-equipment assistance. I suppose you will agree that there is a very long distance to a military-political bloc or to any economic unity. There is no supranational body to make decisions. So far, the Republic has not signed a single agreement, either bilateral or multilateral, which would indicate that Belarus has to renounce the principle of striving for neutrality.

Prosecutor Views Interior Ministry Activity

WS1708090395 Minsk BELAPAN in English 0706 GMT 17 Aug 95

[FBIS Transcribed Text] The Belarusian Military Prosecutor Anatol Hlyukaw considers the activity of the Ministry of Internal Affairs in respect to his subordinates to be provocative. Mr. Hlyukaw informed of this speaking to the BELAPAN correspondent. The Military Prosecutor informed of the events preceding the arrest of the officers of the Military Prosecutor by the special militia troops on August 11.

According to him, on August 6 the officers of the Military Prosecutor buried their fellow-officer, senior investigator of the investigation department of the office of Military Prosecutor Henadz Palyakow who suddenly died at the age of 36. On the way of the mourning procession followed by the cars of the military highway patrol in Skaryna avenue in Minsk, when the procession stopped at the red light, a Mercedes with dark windows wedged itself in between the hearse and a van. It happened so unexpectedly that the driver of the van had to stop the vehicle in order to avoid the collision and the officers sitting in the van fell down from their seats. When the vehicles started again the Mercedes left the

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column but outran it several times on its way along the avenue.

Reaching the bridge near the Belarusian Politechnical Academy the Mercedes reached the van from the right side and the driver of the Mercedes shot the pistol in the direction of the open window of the van where the Senior Investigator of the Homel garrison Office of the Military Prosecutor Aleh Krylyastsenka was sitting. After that the Mercedes turned to the road leading under the bridge at a high speed. As it turned out later the driver shot the buck-shot, and the grains of the small shot hit the window of the van. The van was followed by an Opel driven by Major Alyaksandr Kasper. He managed to reach the Mercedes and to block its way. At the same time the people sitting in the van were running up to the stopped car. The driver of the Mercedes rushed out of the car and tried to shoot but Major Kasper forestalled and disarmed him. Some Bahiraw, the driver of the Mercedes, was released of the gun and of his documents. He was ordered to come to the Office of Public Prosecutor.

The Belarusian Military Prosecutor Mr. Hlyukaw learned everything on the same day. Both he and his deputy took a decision to institute criminal proceedings against Bahiraw and to arrest him. Mr. Hlyukaw took the responsibility to sanction it. But the criminal proceedings were not sanctioned until August 11 because of the internal problems in the Office. However, starting August 6 Bahiraw began to visit the Office offering money to the officers as a compensation for their moral detriment. On Tuesday, August 8 Bahiraw met the Deputy Military Prosecutor Colonel Alyaksandr Pilyawski who assured him of his decision on instituting criminal proceedings and refused to take money.

According to information received by BELAPAN in the Office of Military Prosecutor, it was known later that Bahiraw had come to the Office with sound recording equipment since on August 11, after the arrest of the officers of Military Prosecutor the militia referred to some sound recordings of the talks between Bahiraw and Colonel Pilyawski and other officers. Bahiraw's constant coming to the Office was completed by the decision of Major Kasper to take 1,000 U.S. dollars as a compensation for moral detriment and to send this money to Mr. Palyakow's widow. Major Kasper is not a lawyer so he could not influence the decision of the Military Prosecutor on instituting criminal proceedings. A receipt was made on the fact of receiving money, Bahiraw and Major Kasper noted where the money must go and sign the receipt. When the money was passed an armed special militia troop appeared and all the officers who talked to Bahiraw were taken to the building of Ministry of Internal Affairs. They were interrogated there and released except Alyaksandr Kasper who initiated taking money. According to Mr. Hlyukaw, no one of the high authorities of the Office knew about the deal and no one would have sanctioned it if he had known.

At the moment the Office of the Public Prosecutor of the Republic of Belarus has instituted criminal proceedings on the article of the Criminal Code "Bribery". However, the criminal proceedings against Bahiraw shooting the van is not instituted and, according to Mr. Hlyukaw, Acting Prosecutor General Vasil Kapitan promised that this case will be considered together with the case of bribery. Bahiraw is not arrested and Major Kasper must be brought an accusation, otherwise he must be released from the isolation ward.

Moldova

Ministry Reports Increased Trade With Romania

AU1708102895 Chisinau INFOTAG in English 1930 GMT 16 Aug 95

[FBIS Transcribed Text] Chisinau INFOTAG, 16/8/1995 — Trade turnover between Moldova and Romania in the first half of 1995 amounted to $78.8 million, INFOTAG was told by the Ministry of Economy.

Trade with Romania occupied 12.3 percent of the total external trade of Moldova, and increased by $31.0 million, or 64.9 percent, in comparison with the same period last year. Moldova's export to Romania increased by $32.5 million, or 132.1 percent, having reached $57.1 million. Thus, Romania became the second-largest consumer of Moldovan goods after Russia.

As for imports from Romania, it amounted to $21.7 million, having diminished by $1.5 million, or 6.5 percent, as opposed to the first half of 1994. Romania occupies the fifth place among suppliers of goods to Moldova.

In January-June, 1995, Moldova had active trade balance with Romania of $35.4 million.

Popov Views Talks With Romania on Friendship Pact

LD1508195795 Moscow INTERFAX in English 1619 GMT 15 Aug 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] CHISINAU, Aug 15 (INTERFAX) — The Moldovan Foreign Minister Mihai Popov does not know when a friendship and cooperation treaty with Romania will be signed.

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He told INTERFAX in Chisinau that experts from the two countries working on the treaty are to meet in September and try to combine the two versions made in the two countries.

Popov assumed that the negotiations would be difficult.

The head of the expert group from the Moldovan Foreign Ministry Nicolae Buga told INTERFAX his country has similar treaties with most CIS nations and other foreign countries. Romania, relations with which are a priority of Moldovan foreign policy, is the only exception.

The diplomat recalled that work on the treaty began immediately after Moldova proclaimed independence in 1991.

According to him, the initial version was sooner an agreement on the gradual unification of the two countries than a friendship treaty.

After Moldova joined the Council of Europe and declared its determination to strengthen its independence and territorial integrity such a version became impossible, Buga stressed. According to him, Moldova would insist on an equality treaty with Romania.

Buga admitted that work on the treaty actually came to a halt over a year ago as a result of a cold spell in relations between Bucharest and Chisinau following the victory of the Moldovan Agrarian Democratic Party in parliamentary elections in February 1994.

"Nevertheless both sides felt that work on the treaty must be stepped up. As a result at the end of last month foreign ministry experts from the two countries resumed their efforts," the diplomat remarked.

He said the sides cannot overcome their few but significant differences, primarily in the approach to the Molotov-Ribbentrop pact and its consequences for Bessarabia (a territory that was included in the USSR in 1940 and after its collapse divided between Moldova and Ukraine).

"Bucharest insists on denouncing the pact, annulling all its consequences in the treaty," the diplomat said.

Chisinau believes this would offer Romania a chance to claim territories belonging to Moldova which could have grave consequences in the future and result in the loss of Moldovan sovereignty and its incorporation in Romania.

In Buga's opinion this approach of the Romanian side considerably hinders the work of experts.

Destruction of Ammunition in Dniester To Resume

AU1708101195 Chisinau INFOTAG in English 1930 GMT 16 Aug 95

[FBIS Transcribed Text] Chisinau INFOTAG, 16/8/1995 — Annihilation of obsolete ammunition of Russian troops in Dniester is to be resumed on Thursday, INFOTAG was told by the headquarters of the limited contingent of Russian troops in the region (former 14th Army).

The Headquarters official said that the process of annihilation had been stopped a month ago at the request of the local authorities. They motivated their request by ecological reasons. Explosions had been made near the town of Rybnitsa, and affected the environment.

A Russian officer said that the problems have been resolved, and the military guarantee explosions of small lots of ammunition in such a way that it would not negatively influence the environment. During that forced one month interruption the military drew up an inventory of the ammunition deposited near the village of Colbasna. About 4,500 mines and shells produced in 1937-38 had been exploded in several weeks of blasting. Another 4,500 pre-World War II shells are still deposited in Colbasna. 600 of them have to be destroyed immediately, as their further storage presents a danger.

The Russian military speak in favour of increasing the number of shells destroyed daily. They explain that by economic reasons, as it could cheapen the cost of annihilation. However, the local authorities oppose this, appealing to security and environmental reasons. As before, the military will blast 30-40 mines and shells per day. They hope to destroy the most dangerous ammunition by the end of August.

As for the rest of the former 14th Army ammunition and armament, the chief of the Russian troops in Dniester Major-General Valeriy Yevnevich said that "an agreement should be reached between Moldova, Russia and Dniester and a Special financial window should be opened."

'Experts' Assess National Economic Development

AU1708112595 Chisinau INFOTAG in English 1930 GMT 16 Aug 95

[FBIS Transcribed Text] Chisinau INFOTAG, 16/8/1995 — According to economic experts, Moldova could stop reduction of net material product (NMP) in 1995. This year's industrial output might be 10-15 percent lower as opposed to 1994, while the agriculture might register 15-20 percent growth.

INFOTAG asked Zahar Olarescu, head of Consolidated Analysis and Prognosis Department of the Ministry

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of Economy, to comment on the results of national economy development in the first seven months of this year.

Unfortunately, said he, economic consequences of the last year did not allow Moldova's economy to successfully start in 1995. But, still, we have ground for optimism: The pace of decline is being lowered constantly.

The first quarter of 1995 registered 21 percent NMP decline with respect to the first quarter of 1994, while that index for the first seven months of 1995 made up 11 percent. The gap narrowed by 10 points.

Industrial decline in January-March amounted to 25.6 percent, while for seven month the corresponding number was 19 percent. Agricultural decline for the first quarter made up 11 percent, while a 3-percent growth has been registered in that sector in seven months.

There are grounds to consider that the second half of 1995 will move us further, as good harvest will allow to push the food processing industry. Livening up of the industry and agriculture will automatically produce a positive effect on other sectors of the economy, such as construction, transport, services, health care.

According to experts' assessments, Moldova will manage to preserve the NMP level of 1994. The four-years decline will be stopped. The IMF expects 1.5 percent Gross Domestic Product (GDP) growth, while the World Bank named 0.5 percent number.

In seven months Moldova increased its exports by 27 percent, and imports by 16 percent. Exports to CIS countries was reduced from 76 to 59 percent, imports — from 72 to 70 percent.

Moldova's exports to non-CIS states increased 2.2-fold in the first half of the year as opposed to the same period of 1994. For imports that number is 25 percent.

Inflation in July remained at June's 0.2 percent level. The average monthly inflation from January to July amounted to 1.05 percent, totaling 8.8 percent since the beginning of the year. Thanks to low inflation wages grew more rapidly than the consumer price index. Before 1995, increase in prices exceeded the growth of the wage level. In the first half of 1994 the average salary made up 37 percent of the minimum consumer basket, while this year that level equalled 43 percent.

In July, the average salary made up 134.5 lei. Population's money incomes increased 1.6-fold. Even taking into consideration the price increase, the growth of salaries in population's incomes amounted to 15 percent.

The experts expect that the money accumulated by the population and enterprises would be transformed soon into investment.

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Kazakhstan

Reportage on 30 Aug Referendum, Draft Constitution

Nazarbayev Decree on Referendum

LD1608174595 Almaty VECHERNYAYA ALMATY in Russian 11 Aug 95 p 1

[FBIS Translated Text] Decree by the president of Republic of Kazakhstan:

On making an addition to the decree by the president of the Republic of Kazakhstan No. 2389 of 28 July 1995 "On Holding a Republic-wide Referendum on 30 August 1995."

I resolve:

1. That point two of the decree by the president of Republic of Kazakhstan No. 2389 of 28 July 1995 "On Holding a Republic-wide Referendum on 30 August 1995" shall be supplemented by the following words: "With the question to be worded as follows: 'Do you accept the new constitution of the Republic of Kazakhstan, the draft of which was published in the press on 1 August 1995?'".

2. To order that the present decree comes into force from 29 July 1995.

3. That the present decree is to be published in the press.

[signed] President of the Republic of Kazakhstan

N. Nazarbayev

Almaty, 7 August 1995.

Nazarbayev Urges Support For Constitution

LD1608214195 Moscow INTERFAX in English 2016 GMT 16 Aug 95

[FBIS Transcribed Text] ALMATY, Aug 16 (INTERFAX) — Kazakh President Nursultan Nazarbayev, on a working trip across northern and central regions of his country, called on Kazakh citizens to support the draft constitutions at the August 30 referendum. He said that the draft was analyzed by several international institutions and recognized as democratic.

He also said that it would be necessary to hold new parliamentary elections immediately after the new constitution is adopted.

In addition, the president announced his plans to transfer the capital of Kazakhstan from Almaty to Akmola (North Kazakhstan region).

While visiting the North Kazakhstan and the Akmola regions Wednesday, Nazarbayev stressed that he "has no vacillations" about transferring the capital to Akmola, even though he himself was born in the Almaty region.

According to the president, "Almaty must remain as a scientific, cultural and financial center," while transferring the capital to the central Kazakhstan "will contribute to the economic development of other regions of the country."

Nazarbayev said that after he announced the plan to transfer the capital to Akmola last year, there was an increase of investments to the region. In particular, several foreign companies offered their services for building an airport and other facilities in the city, he said.

Russian Official Praises Constitution

LD1608162095 Almaty Kazakh Radio First Program Network in Russian 0500 GMT 16 Aug 95

[FBIS Translated Text] In his talks with Kazakh Ambassador Tair Mansurov, Vladimir Tumanov, the chairman of the Constitutional Court of the Russian Federation spoke in positive terms about the draft new basic law of our republic, which is to be put to a national referendum on 30 August. He stressed the substantial advantages of the presidential form of state government and noted that the parliamentary system is in practice doomed to instability under the circumstances of radical reforms, which is why it is simply an impermissible luxury.

Oleg Soskovets, the first deputy prime minister of the Russian Federation also praised the draft Kazakh constitution. According to him, the new basic law that has been amended and added to during the course of the national discussion, will move Kazakh society substantially forward along the path of further democratic reforms. Among the key provisions of the draft, Soskovets pointed out the granting of official status to the Russian language and the recognition of private land ownership. He also noted that only strong and responsible presidential power can preserve inter-ethnic peace and accord and bring real growth to the basic industries as the basis of the Kazakh economy and its general revival, and ensure that the republic enters normally into the system of European economic relations and international integration processes.

Issues relating to Kazakh-Russian economic cooperation and the further improvement of collaboration and integration between the two countries were also discussed during the talks.

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Letter of Intent Signed With Turkey on Pipeline

LD1608204595 Moscow INTERFAX in English 1725 GMT 16 Aug 95

[Report by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin; from the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Kazakhstan and Turkey signed a letter of intent Tuesday to set up an international corporation for the construction of a pipeline to the Mediterranean via Turkey. The signing ceremony was attended by Kazakh President Nursultan Nazarbayev and the Turkish Prime Minister Tansu Ciller, now on an official visit in Almaty.

The Kazakh Oil and Gas Ministry and the Turkish Energy Ministry, the heads of which signed the document, agreed to coordinate their efforts in building the pipeline. Oil from Tengiz oil fields (Kazakhstan) and offshore deposits in the Caspian Sea are to be pumped along the pipeline. IF Note: Earlier Turkey suggested using the pipeline, the construction of which is to be launched in 1997 and completed in 2003, for exporting oil from Azerbaijan. Construction is estimated to require $1.5-$1.7 billion.

Nazarbayev believes the project can be financed by international organizations as well as leading corporations from Azerbaijan, Turkmenistan, Russia and the countries of the Caucasus.

Meanwhile, observers say that the Kazakhstan-Mediterranean pipeline competes with the Caspian pipeline consortium project backed by Russia and Oman. Its first stretch is to be commissioned in 1996.

Parliament Plans Help for Karaganda Coal Field

LD1608174095 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 12 Aug 95 p 1

[FBIS Translated Text] With the aim of improving the financial condition of the state holding company "Karagandaugol" [Karaganda coal] and the social infrastructure of mining towns and villages, the Cabinet of Ministers of the Republic of Kazakhstan resolves:

1. to approve a program of priority measures to improve the financial and economic activity of the enterprises making up the "Karagandaugol" holding company;

2. to make the first leaders [as published] of ministries and departments and the head of administration of Karaganda region personally responsible for implementing the program of priority measures;

3. the apparatus of the Cabinet of Ministers of the Republic of Kazakhstan is to monitor implementation of this resolution.

Akezhan Qazhygeldin, prime minister of the Republic of Kazakhstan.

10 August 1995.

U.S. Crime-Fighting Delegation Visits for Talks

LD1608205495 Almaty Kazakh Television First Program Network in Russian 1400 GMT 16 Aug 95

[FBIS Translated Text] Kazakh Prime Minister Akezhan Qazhygeldin today received an American delegation that is here in Almaty at the invitation of the Kazakh Government to help in crime-fighting efforts.

To judge by the composition of the delegations from the two sides holding talks behind closed doors, crime needs some serious thinking.

The delegation was headed by James (Tyner), special adviser to the secretary for the CIS at the U.S. State Department. Apart from him, the delegation included the deputy director of the office for international criminal law [as heard] at the State Department, an aide to a special agent of the U.S. Secret Service, agents from an FBI program, and the chief investigator of the Customs Service.

The Kazakh side that took part in the talks was no less represented. It included the heads of all the republic's power ministries and departments. Crime has no boundaries, Prime Minister Qazhygeldin said as he welcomed the guests, and any help is important to us, both methodical and practical. During its scheduled meetings with representatives of Kazakhstan's law enforcement agencies, the American delegation is planning to familiarize itself with the problems and types of aid Kazakhstan's power structures need. They will also familiarize their Kazakh colleagues with a description of the types of crime-fighting programs the United States can offer.

An expanded-format meeting took place at the Kazakh Justice Ministry today between the American delegation and law enforcement representatives of the Kazakh Government. During the meeting our staff members commented on the most important problems and the types of aid they need. The American delegation's plan includes discussion of programs to fight three major dangers: organized crime, financial crime, and drugs smuggling.

[Begin recording] [K. Suleymenov, adviser to the Kazakh president] The time has come for cooperation with foreign countries, primarily with the United States of America. Our law enforcement agencies should give this cooperation some organized beginning, as stipulated by the adoption of a joint statement by our prime minister. The prime minister has confirmed the program

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for the stay of this delegation here in Kazakhstan. The time has come for putting everything in a clear legal framework, for signing appropriate agreements, and for cooperating for the sake of strengthening legality and defending citizens' rights. [end recording]

Kyrgyzstan

Turkey's Ciller, Delegation Arrive on Official Visit

Meets Akayev, Dzhumagulov

LD1608182595 Bishkek Kyrgyz Radio First Program Network in Russian 1300 GMT 16 Aug 95

[FBIS Translated Text] An official delegation headed by Turkish Prime Minister Tansu Ciller arrived in Kyrgyzstan today. Kyrgyz President Askar Akayev, Prime Minister Apas Dzhumagulov, Turkish Ambassador to Kyrgyzstan Metin Gokeri, and other officials greeted the Turkish prime minister at the airport.

A meeting between President Akayev and Mrs. Ciller took place at Government House today. Prime Minister Dzhumagulov and Mrs. Ciller held a meeting at the state residence. Issues of bilateral economic, trade, and cultural cooperation were discussed during the official visit. A news conference was then held; the journalists' many questions were answered by representatives of the two sides.

The same day a ceremony took place at which Mrs. Ciller was presented with an award by the Rukhaniyat association. She was also given an honorary doctorate from the National Academy of Sciences of the Kyrgyz Republic. In the afternoon, a ceremony to mark the opening of a park named after Ataturk was held, at which gifts were presented by the Turkish side.

Tomorrow Mrs. Ciller and the members of the official delegation leave for Turkmenistan.

Funding for Cooperative Projects Agreed

LD1608214495 Moscow INTERFAX in English 2016 GMT 16 Aug 95

[FBIS Transcribed Text] BISHKEK, Aug 16 (INTERFAX) — Turkey and Kyrgyzstan have agreed on giving priority in their cooperation to power engineering, microelectronics, mining and the defense industry.

This was announced by the Turkish Prime Minister Tansu Ciller at a news conference in Bishkek at the end of her visit to Kyrgyzstan.

She said Turkey is interested in producing electricity and exporting it together with the Central Asian country. According to the prime-minister, Turkey is ready to fund the conversion of several Kyrgyz defense plants for producing competitive goods for the world market.

"Even though Turkey has lent Kyrgyzstan $75 million and the loan has not been fully used, our partner will get much more for projects in the said priority spheres," the Turkish leader promised.

The Kyrgyz Prime Minister Apas Dzhumagulov stressed the importance of the talks on trade and economic cooperation.

The two sides signed an agreement on the formation of a commission for trade and economic cooperation as well as an agreement on cooperation in environmental protection.

During her stay in Bishkek the Turkish prime-minister was received by President Askar Akayev.

Tajikistan

Government Resolution on Economic Reform Work

LD1608183595 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 16 Aug 95

[FBIS Translated Text] The government of the Republic of Tajikistan has issued a resolution on the implementation of decree No. 8 of the president of the Republic of Tajikistan of 3 December 1994, on priority measures in carrying out economic reforms and accelerating the transition to market relations.

The resolution says, in particular, that ministries and departments as well as local executive authorities have done a certain amount of work to implement the measures envisaged by this decree of the president of the Republic of Tajikistan.

An intersectoral council on economic reforms, entrepreneurship, and foreign investments has been formed under the president of the republic and is operating. A program of reforms in the agroindustrial complex has been drawn up. An interbank currency exchange and a drafted central exchange mechanism are operating, focused on protecting the domestic market. The sale of products subject to the state monopoly has been regulated and all prices have been freed. A good deal of work has been done to bring laws into line with the reforms.

At the same time, some measures envisaged by the decree have not been implemented. That is why the government of the Republic of Tajikistan instructs the heads of administrative bodies responsible for the republic's economy and the chairmen of regions, towns, and villages to take all necessary measures to put the presidential decree into practice.

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The relevant ministries and departments, as well as the deputy chairmen of regions, towns and districts who are engaged in tackling economic issues, have been made personally responsible for implementing this government resolution.

General Says Afghan Border Situation 'Threatening'

LD1708110395 Moscow ITAR-TASS in English 0938 GMT 17 Aug 95

[FBIS Transcribed Text] DUSHANBE, August 17 (ITAR-TASS) — Officers of the republican security and interior ministries carried out last night measures to liquidate another armed bandit group which committed acts of looting, pillage as well as terrorist actions in the Faizabad and Rogun districts of Tajikistan, ITAR-TASS learnt on Thursday from Zafar Saidov, department head of the Tajik Foreign Ministry.

According to Saidov, the group numbering ten was nabbed near the village of Guli Surkh, Faizabad district. As a result of the operation, three gunmen were killed and four taken prisoner and brought to the Rogun police department.

Law enforcement officers also suffered losses. One officer of the Rogun police department was killed in a shootout, the second seriously wounded and hospitalised.

The command of Russian border troops in Tajikistan estimates the situation at the Badakhshan (Pamir) section of the Tajik-Afghan border as "threatening".

A statement by Lieutenant-General Pavel Tarasenko, commander of Russian border troops in Tajikistan, circulated here today, says that the deteriorating situation is caused by confrontation between borderguards from the Khorog border detachment and a local group led by field commander Madjnun who, stepping back on his own promises not to attack Russian borderguards and to observe neutrality, equipped a field post, two days ago, at a strategic elevation with a missile launcher, trench mortar and a machine-gun, levelling them at the Khorog border detachment.

The borderguards were forced to retaliate and to install a similar post at an opposite strategic elevation. However, they were fired on by gunmen en route to the post. Talks are now in progress to stop the confrontation.

The border command put forth an ultimatum, suggesting that the post be liquidated today by 16:00, local time, otherwise, it reserved the right to take adequate measures to ensure security of the border detachment and residents of Khorog city.

The statement stresses that any illegal actions aimed against borderguards and civilians will be stopped "in a most resolute way".

In turn, the command expressed hope that the population of the Gorno-Badakhshan autonomous region will stop assisting gunmen. Otherwise, this will lead to new senseless bloodshed.

Speaking at an emergency briefing this morning, Tarasenko called as "difficult" the situation in the zone guarded by the Moskovskiy border detachment, opposite which up to 400 opposition gunmen are massed on the Afghan side.

According to military information, they are bracing for a breakthrough. A group of Tajik opposition numbering 30 is concentrated opposite the Pyandzh border detachment.

According to a report by the information directorate of the Tajik Foreign Ministry, 20 Tajik refugees, residents of the Khatlonskaya region, were repatriated from Afghanistan last Wednesday through the Nizhny Pyandzh check point in southern Tajikistan.

Last week, 98 Tajik refugees returned from Afghanistan through the same check point.

According to information from the Tajik Foreign Ministry, government bodies attach great importance to the return of Tajik refugees from foreign countries to places of their permanent residence.

A special decision was recently taken on this occasion, mapping out measures to accommodate refugees.

Defense Ministry Criticizes Radio Liberty Reports

LD1708083695 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 16 Aug 95

[FBIS Translated Text] What is the goal of Radio Liberty? Or, a response by the Defense Ministry's press office to the reports of Radio Liberty.

In the last few years, the world media has been paying special attention to the political and economic events in Tajikistan. It is of course pleasant for us that the media make the people of the world familiar with the difficulties and the insecure life of our people, as well as assisting us in successfully resolving pressing issues.

However, only correct and timely reports can help the stabilization of the situation. An untrue, unproven, and false report will make relations tense and prevent a real image of the country's life from being obtained.

Some time ago, Radio Liberty broadcast a program about the political life of Tajikistan which was like a kind of report with personal and seditious motives.

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It is not clear what the authors' goals were from those untrue facts, which ignored the most basic journalistic ethics and respect for people.

The Radio Liberty program said that Tajiks make up 75 percent of personnel in the collective peacekeeping forces stationed in Tajikistan. We do not know where our colleagues found this figure with such precision. However, one thing is clear: Every CIS country that has signed the treaty has an almost equal number of representatives in the collective peacekeeping forces, and the authors — whether consciously or unconsciously — made the number of Tajiks in this group higher than they actually are and it does not correspond to reality. It was said that out of 3,600 conscripts, 2,100 were accepted for active service in the republic and 1,000 of them had deserted; almost every conscript was dispatched to service by force by militia personnel; lack of food and ill-treatment in the army made young people desert.

As Colonel Tuychiyev, head of the Tajik Defense Ministry department on the call-up of conscripts and formation of military units, said, this year 11,120 young men had been called up and 20-30 of them [as heard] had deserted, which does not correspond to the facts brought by Radio Liberty. What more competent source has Liberty used then? We do not deny that there are cases of conscripts refusing to serve, ill-treatment, and insufficient food supplies in the military forces of Tajikistan. This is natural for a republic that has recently gained independence and is faced with many economic and political difficulties. But exaggerating and inflating reality will never testify to the open-hearted character and fairness of the speaker.

Radio Liberty wants to make the audience come to the conclusion that the collective peacekeeping forces in Tajikistan are having a good life at the expense of the country; that they receive wages and essential goods regularly, but that the people of Tajikistan have a hard life.

We have learned from the collective peacekeeping forces' command press office that 50 percent of expenditures on the collective forces come from Russia's accounts. Uzbekistan, Kazakhstan, Tajikistan, and Kyrgyzstan cover the remaining part of expenditures on the collective forces. And now look who carries the heavier load.

We turn to the Radio Liberty correspondent: Even if you do not understand the anguish of our country, if you have forgotten justice, you should respect the norms of journalism, reality and speaking the truth. This is for your honour and also a gesture towards bringing the situation back to normal in Tajikistan.

Newspapers Warned Over 'Sensationalistic' Material

LD1608115695 Tashkent OVOZ-I TOJIK in Tajik 9 Aug 95 p 2

[Unattributed article: "The Newspapers Have Been Warned"]

[FBIS Translated Text] The Tajik Ministry of Culture and Information has reviewed the activity of the 'Digest Press', 'Chas Iks,' and '1001 surprise' newspapers.

It has noted that, in general, the aforementioned newspapers engage in reprinting from a number of papers from Russia. The published material is sensationalistic, adventuristic, and criminal, and does not have an educational or informational aspect. Material of a sexual character is prevalent. These newspapers do not carry their own articles; there is nothing about the life of the republic, economic difficulties, or facts and events concerning the republic's capital, which readers are interested in.

Similarly, fresh and serious news, which is usually the main content of the media, is not characteristic of these newspapers. The editorial boards of these newspapers have violated Articles 19 and 20 of the Constitution of the Republic of Tajikistan, "On The Press and Other Media Sources."

In this connection, the Tajik Ministry of Culture and Information has given an official warning to the newspapers.

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Armenia

Bagratyan on Reforms, Problems With Georgia

LD1608195695 Moscow INTERFAX in English 1725 GMT 16 Aug 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Moscow, 16 Aug (INTERFAX) — The Armenian government structure is 95 percent in line with market demands, Prime Minister Grant Bagratyan told a news conference in Yerevan on Tuesday.

He described as a bold step the decision to cut the number of ministries from 31 to 23 and government departments from 30 to two in the wake of last month's general election. He said the fate of three government committees would be sealed in the next few days. Bagratyan does not rule out that several other ministries can be abolished next year to achieve market economy management standards.

He said the measure was carried out ahead of the country's transfer to a new administrative-territorial system caused by the need for a simpler but more effective government. He said the country would be broken into 10 new administrative units to replace the existing 37 regions.

Bagratyan singled out three main priorities of the government program for the second half of the 90s. To begin with, sweeping structural reforms are needed to readjust management structures to ongoing social and economic processes.

Greater accent must also be made on social policy. In Bagratyan's opinion a legal reform is no less important. "This will be a key task because the old system of legal norms remains unchanged and transformations in economy and other spheres can lead to grave social conflicts," the prime minister said.

Bagratyan said the government was working hard on a package of new laws designed to push on the reforms. The package will be sent to parliament in a month or two.

He spoke of talking tough with his Georgian counterpart Otar Patsatsia during a meeting in the town of Stepanavan, 130 kilometers north of Yerevan, on Monday. Bagratyan accused Georgia of continuing to syphon off Armenia's part of gas imports from Turkmenistan. IF Note: The pipeline taking Turkmen natural gas to Armenia crosses the territory of Georgia.

At the talks between Armenia, Georgia and Turkmenistan earlier this month in Ashgabat the sides agreed that Armenia will pay for all gas crossing the Russian-Georgian border and agree with Georgia on the distribution of fuel and mutual settlements.

According to the latest reports, Armenia owes Turkmenistan about $20 million for gas deliveries.

To make his case, he said that by August 1, Armenia received 1.5 billion cubic meters of gas instead of 2.1 billion with the remainder being used by Georgia. Bagratyan said this meant Ashgabat found it unprofitable to export gas to Armenia which paid only for the amount of gas obtained.

He said the two countries had now signed an agreement regulating the transit of Armenian gas imports via Georgian territory.

On the economic front, Bagratyan pointed to widespread defaults as being the main problem. He said Armenian enterprises had run a debt of 15 billion drams ($37.5 million) to the republican budget by August 15.

He said the revenue part of the budget in July would have been fulfilled by 107%, if tax was levied on unlawfully cashed company profits which are taken out of the country, converted into hard currency and stashed away in foreign banks.

The prime minister described as a paradox the current economic situation in which many offices and agencies appear to be overfunded after the dollar fell and inflation was brought down to 3.6% instead of 5.43% as forecast in the first half of this year.

He said the consumers' failure to pay for their energy bills had also added up to the payment crisis. Only 23.5% of arrears or 2.5 billion drams ($6 million) was paid in July, Bagratyan said.

Azerbaijan

Security Forces Foil Coup Attempt

LD1608173995 Moscow ITAR-TASS in English 1707 GMT 16 Aug 95

[By Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] BAKU, August 16 (ITAR-TASS) — Azerbaijan's security forces have disrupted yet another coup attempt in the republic, the third one during Geydar Aliyev's presidency.

Aliyev told the republic's constitutional commission on Wednesday that the majority of people involved in the conspiracy had been arrested. Among them are three retired generals, including former chief of the general staff of the Azerbaijani army Shain Musayev.

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All plotters, who were members of the so-called officers' group, acted in Baku on instructions from ex-president Ayaz Mutalibov who has been living in Moscow since May of 1992.

Aliyev said there is not any opposition as such in Azerbaijan. Those who claim to be in opposition share the views of the present administration which, according to him, is more democratic than its opponents.

The president said a draft new constitution is being finalised and will be submitted for nationwide discussion soon. It will also be submitted to a referendum to be held on November 12 when the republic will elect a new parliament.

Aliyev: Investigation Under Way

NC1608183695 Baku TURAN in English
1422 GMT 16 Aug 95

[GEYDAR ALIYEV: "ANOTHER ATTEMPT OF STATE COUP IN AZERBAIJAN, PREPARED BY GROUP OF OFFICERS, WAS PREVENTED" — TURAN Headline; all names as received]

[FBIS Transcribed Text] Baku/16.08.95/TURAN — "Another attempt of state coup was prevented in Azerbaijan. This time the coup was prepared by a group of senior officers of the Defence Ministry. Three generals run this group: former Head of head-quarter Shahin Musayev, former Deputies Defence Ministers Vahid Musayev and Rafik Agayev," such sensation statement made today the President of Azerbaijan Geydar Aliyev.

Addressing today at the session of the commission for preparation of new Constitution of Azerbaijan, Aliyev said that the group was arrested and a proceeding was initiated on the case. The president noted that the coup had been preparing since May 1995. For this purpose the generals and a group of senior officers visited the military units and were conducting ideological preparation for the coup. He added that the conspiracy was headed by Ayaz Mutalibov, ex-minister of defence Rahim Gaziyev and former Chief of the Committee for National Security (KGB) of Azerbaijan Vagif Guseynov.

The president said that a terrorist who arrived in Baku for committing a special act of terrorism was also arrested. It is a criminal, who had been charged before and was sent to Azerbaijan, Aliyev said.

Aliyev Denies New Election Law Undemocratic

LD1608192995 Moscow INTERFAX in English
1647 GMT 16 Aug 95

[FBIS Transcribed Text] BAKU, Aug 16 (INTERFAX) — President Geydar Aliyev of Azerbaijan has described as groundless opposition allegations that the new election law approved by parliament last Saturday is undemocratic.

Speaking at a constitutional commission meeting on Wednesday, he said the new law fully conforms with similar legislation found in countries widely believed to be the world's leading democracies.

During parliamentary debate, the majority rejected opposition demands that the number of seats in the new legislature be increased from 121 to 181, that half rather than 20% of the seats be contested on a proportional basis and that government officials be banned from running in general elections.

The commission, which Aliyev chairs, discussed drafting a new constitution, to be put to a nationwide referendum simultaneously with general elections on November 12.

Georgia

Composition of New Parliament Discussed

LD1608172495 Tbilisi IPRINDA in Russian
1250 GMT 16 Aug 95

[FBIS Translated Text] Tbilisi, 16 Aug — On 16 August, deputies continued discussion of the draft of a new constitution (the part of the constitution which provides for the procedure of elections to the executive legislative body of the country).

The new parliament will be elected for a period of four years. It will consist of 150 deputies according to the proportional system, and by 86 deputies according to the first-past-the-post system.

Eduard Shevardnadze suggested to the MPs that mandates be extended to 10 deputies from Abkhazia, as for obvious reasons, it will not be possible to hold elections in Abkhazia in the near future.

It was decided that within the framework of the election campaign, political parties and blocs will have to submit no fewer than 50,000 signatures for those deputies who stand for elections according to the proportional system, and no fewer than 1,000 signatures for the deputies standing in the elections according to the first-past-the-post system.

Deputies also decided that it will be possible to carry out searches, arrests of deputies, and so on, if necessary, and provided the executive legislative body of Georgia is aware of it and allows it.

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Parliament Adopts Clauses of New Constitution

LD1608185695 Moscow ITAR-TASS in English 1712 GMT 16 Aug 95

[By Albert Kochetkov]

[FBIS Transcribed Text] TBILISI, August 16 (ITAR-TASS) — The extraordinary session of the Georgian parliament adopted half of the articles of a new constitution of the republic. During debates differences arose among deputies.

Today, deputies, at last, finished discussing the most controversial articles of the document on the supreme legislative body.

The parliament approved the number of members of its successor of 235 deputies against the present figure of 225.

A future parliament, elections to which are scheduled for November 5 this year, will consist of 150 deputies to be elected on a proportional basis from political parties, and 85 deputies — on a majority basis.

On Thursday, the last day established by parliamentarians themselves as a final date for discussing and adopting a draft constitution, they will have to consider the remaining articles of chapters on the supreme legislative body, as well as on judicial power, a control chamber, finances and defence.

At the same time, it was decided by consensus that chapters on the territorial and state systems should be submitted for consideration to the future composition of the parliament.

Edict Issued on Recruitment to Interior Ministry

LD1608174495 Tbilisi Radio Tbilisi Network in Russian 1408 GMT 16 Aug 95

[FBIS Translated Text] Georgian Interior Minister Shota Kviraia today issued an edict according to which, exclusively those citizens of the republic who had earlier served in the interior troops and have a clean record will be recruited to Interior Ministry bodies and the operational department.

This measure has been caused by an extremely complex criminal and sociopolitical situation over recent years, when criminal elements have managed to infiltrate Interior Ministry bodies. It was this that caused a thorough purge of the personnel of the Interior Ministry bodies.

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Estonia

More Peacekeeping Troops Sent to Croatian Krajina

LD1608184295 Tallinn Radio Tallinn Network in Estonian 1600 GMT 16 Aug 95

[FBIS Translated Text] Another group of Estonian peacekeepers will be going to Croatian Krajina on Friday. They have received training in the course of several months in Denmark. The second infantry group of the Estonian peacekeeping company, under the general name of EstPla-2, will be deployed within the Danish peacekeeping battalion's A company, at the same location where the first group of Estonian blue helmets, EstPla-1, has been deployed for six months. At the moment it is not clear when the first group of the Estonian blue helmets will return to Tallinn. According to Major Alar Laneman, the commander of the Estonian peacekeeping company, this may take place over the weekend or early next week.

Government Sets Priorities for EU Aid Program

WS1608130195 Tallinn ETA in English 1819 GMT 15 Aug 95

["News Release"]

[FBIS Transcribed Text] Estonian government determined at its Tuesday session the priorities for Estonia in applying for irretrievable aid in the framework of European Commission's PHARE [Economic and Reconstruction Aid for Poland and Hungary] programme.

Government decided that the finances to be applied for the period from July 1996 to the middle of 1999 are to be earmarked for fulfilling conditions of Europe Agreement and joining the European Union, for export support, development of infrastructure and regional development and reorganizing public sector, Prime Minister Tiit Vahi said.

Spokeswoman of government Maarika Saarna-Siimann said that the government had also stressed the need for support in strengthening border control which is of great importance to the state security.

Head of Finance Ministry department of international cooperation Agate Dalton told ETA that during the EU financial year that ends June 31, 1996, about 30 million ECU of irretrievable aid was allocated to Estonia in the framework of PHARE programme, of which 5 million ECU in connection with Estoniaos association membership with EU.

In 1994/95 Estonia received 16-17 million ECU from PHARE, Dalton said. The first agreement in the framework of PHARE programme was concluded between Estonia and EU in 1992.

Ruling Coalition Parties' Relations Assessed

WS1608130095 Tallinn BNS in English 1600 GMT 15 Aug 95

[FBIS Transcribed Text] Tallinn, Aug 15, BNS — The relations between the two leading parties of Estonia's ruling coalition, the Coalition Party and the Center Party, remain normal and businesslike despite the differences of opinion over the "poppy war" with the Center Party chairman Edgar Savisaar, Vahur Glaase, one of the Coalition Party's leading figures, told BNS.

A remark Savisaar made last week, suspecting Glaase of seeking to damage the good relations between the coalition partners, did not cause any harm, Glaase said.

Glaase was scathingly critical about the police action of mowing down a poppy field in the southern Viljandi region. In an article in the Tartu-based Postimees daily Aug. 11, he said the police system itself cannot examine the legality of police action with sufficient objectivity and voiced the opinion that the function of investigation should be restored to the prosecutor's office. The article may be interpreted as saying that it is the Interior Ministry that should draft a bill to extend the rights of the prosecutor's office.

The Interior Ministry press service released the same day Savisaar's rather strongly worded response. The interior minister said he was astonished by Glaase's statement, as the prosecutor's office is governed, not by the Interior Ministry, but by the Justice Ministry headed by Coalition Party member Paul Varul.

"I fail to understand why Glaase is demanding that we should interfere in the work of the Justice Ministry," Savisaar stated. "Maybe he wants to damage the good relations between the Center and the Coalition parties."

Glaase declined comment on Savisaar's remark. He only said it was not unexpected.

"I'm confident that what happened will not give rise to discord between the two parties, our relations are and will remain normal and businesslike," he said. "The leaders of the two parties have not discussed the remark nor drawn any conclusions from it."

The article dealt with the subject of statehood, not inter-party affairs, Glaase emphasized.

"I touched on gaps in our legal system," he explained. "I'm still of the opinion that the Police Department director overstepped his powers by ordering the destruction of the poppy field."

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Latvia

U.S. Observer Satisfied With Latvian Peacekeepers

WS1608144395 Tallinn BNS in English
1000 GMT 16 Aug 95

[FBIS Transcribed Text] Fort Polk, Louisiana, Aug 16, BNS — Latvian peacekeepers are well-prepared for the Cooperative Nugget '95 exercise, U.S. Joint Readiness Training Center observer Erik Henriksen told BNS.

The Latvian platoon shows that it has received professional training while at home, he said.

Servicemen themselves say that the main difficulty is connected with acclimatization to the hot weather as the temperatures sometimes reach 40 degrees Celsius.

Fifteen peacekeepers from different countries have already turned for help to hospital with various degrees of sunstroke but Latvians are not among them.

"Soldiers are treated more sparingly here than in Latvia," a Latvian officer told BNS, "for example, when it rains, training is stopped."

The main war game, however, is still ahead of the 4,000 servicemen from 14 central and eastern European member countries of NATO's Partnership for Peace initiative.

Aug. 18-23, the troops will use their military skills in an exercise that features sending peacekeepers to the fictional island of Aragon after a border dispute.

They will be joined in the exercise by troops from the United States, Canada and the United Kingdom.

The exercise is the first on the U.S. soil including members of the Partnership for Peace which was designed as a means to bring former Cold War foes closer to the alliance.

Trade With EU Grows in First Half of 1995

WS1608125895 Tallinn BNS in English
1300 GMT 15 Aug 95

[FBIS Transcribed Text] Riga, Aug 15, BNS — The specific weight of the European Union countries in Latvia's foreign trade has grown through the first six months of this year, while that of the CIS members decreased.

In the first half of 1994, Latvia exported to the EU 36.3 percent of the total export, while in the same period of this year the figure was 47.2 percent.

In the first six months of this year, Latvia imported from the EU 50.9 percent of its total import compared to 35.5 percent last year.

The amount of export to the CIS reduced from 42.9 percent last year to 37 percent this year and the amount of export — from 32 percent to 28 percent.

In the first half of this year, Latvia exported 327.7 million lats in goods what is 27.8 percent more than in the respective period of 1994.

The total volume of import was 418.6 million lats in goods what is 26.6 percent more than last year.

The difference between the total value of export and import reduced between January and July. In the same period of last year the negative gap was 29 percent, while this year import exceeded export 27.8 percent.

According to figures from the State Statistics Committee, Latvia exported mainly timber and its produce what made up 28 percent of the total export.

The next largely exported goods were textile products (14 percent), food stuffs (9.1 percent), machinery and equipment (8.2 percent) and metals (8 percent).

The growth of timber export was 41.6 million lats or 83.3 percent compared to the first half of the previous year.

The import list was topped by mineral products (21 percent), machinery and equipment (17.9 percent), chemicals (11.8 percent), textiles (8.3 percent) and means of transportation (8 percent).

Smuggling of Russian Oil Products Investigated

MM1608120095 Moscow TRUD in Russian
16 Aug 95 p 1

[Report by Oleg Zolotov: "Criminal Trail From Latvia to Russia"]

[FBIS Translated Text] Moscow — The Latvian special services are on the trail of a mafia grouping that is engaged in the large-scale smuggling of petroleum products from Russia. The criminals have made use of the special status enjoyed by Kaliningrad Oblast, which is surrounded on all sides by neighboring states.

According to "bogus" documents, the gasoline and other valuable types of fuel were transiting Lithuania to Kaliningrad Oblast and, consequently, under agreements reached with the Lithuanian Government, were not taxed. But the cargoes did not reach their stated destination — they ended up in Latvia. And it was not necessary to pay any duty — those escorting the goods always had a sufficient quantity of forged "payment slips" with them.

But only a small number of the tank cars with their valuable cargo ended up in Latvia — the rest went to countries of the far abroad.

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We were told by a well-informed source at the Latvian General Prosecutor's Office that, judging by everything, highly placed officials in Moscow were involved in the illegal export of petroleum products. The investigators believe that the trail stretches to many other Russian cities as well.

Deliveries were made from virtually all major oil refineries. Enterprises in Moscow, Volgograd, Ufa, Groznyy (before hostilities began), and various Volga Valley oblasts were to the fore.

According to preliminary information, the damage done to Russia and Latvia by the smugglers is being put at several tens of millions of dollars. The case is being handled by highly experienced Latvian investigators. It could have really major repercussions. Meanwhile, I have managed to discover that neither the Russian MVD [Ministry of Internal Affairs] nor the Federal Security Service have hitherto gotten involved in the investigation or have any information about it.

Alleged KGB Collaborators Named Among Candidates

LD1508191295 Riga Radio Riga Network in Latvian 1301 GMT 15 Aug 95

[FBIS Translated Text] The Center for the Documentation of the Consequences of Totalitarianism today informed the Central Electoral Commission that it has at its disposal information about the collaboration of 12 candidates standing for the sixth Saeima [parliament] election with the KGB of the Latvian Soviet Socialist Republic at one time. These are, it has informed them, Liga Krumina, Karlis Liepins, Juris Celmins, Juris Zakis, Mavriks Vulfsons, Maija Tabaka, Harijs Verhovskis, Gvido Harijs Valburgs, (?Mihails Mesenieks), Aivars Salins, Gatis Zarins, and [name indistinct]. According to the electoral law, KGB staff members may not be deputies. Agents must also declare their collaboration with the security institutions when the party submits its list of candidates and related documents to the Central Electoral Commission. So far none of the candidates has declared having collaborated with the KGB. It is possible that many of these 12 candidate deputies for the next Saeima did not even know that their names are mentioned in the so-called Cheka bags, and now they will deny their collaboration with the KGB in the courts.

Regulations for Farm Goods Importers Set

WS1608131695 Tallinn BNS in English 1648 GMT 15 Aug 95

[FBIS Transcribed Text] Riga, Aug 15, BNS — Importers of farm goods may bring them into Latvia only escorted by a convoy if no taxes or security is paid in advance, the Cabinet said Tuesday.

The Cabinet also commissioned the Finance Ministry to carry out a series of measures to improve control over imported goods.

The Customs Department may use all income from extending customs services to improve and develop its activities, according to the newly approved regulations.

The department may also use 80 percent of resources obtained by selling confiscated goods and cashing in fines.

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